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PETRO-CANADA DENIES TWO EMPLOYEES HELPED CIA
CALGARY, ALBERTA

Petro-Canada formally denied Wednesday that two of its top employees gave the Central Intelligence Agency information about Canada's government-owned oil company.

In a prepared statement, PetroCan's president and chief operating officer, Edward Lakusta, said the charges made earlier this week by Member of Parliament Svend Robinson were "without any foundation" and that the company deplored "the irresponsible manner in which they were made."

Robinson on Monday told the House of Commons' Justice Committee that Robert Foulkes, a former vice president of public affairs for Petro-Canada, and Fred Rayer, vice president of international operations, passed information about the crown corporation to the CIA.

Robinson, of the opposition New Democratic Party, apologized Wednesday for publicly naming the two men.

In his statement from Calgary, Lakusta said company officials had discussed the allegations with Rayer and Foulkes and had been assured that they had not "in any way knowingly provided information to intelligence organizations or individuals acting on their behalf."

New Democratic Party leader Ed Broadbent said he regretted Robinson named the two men, but added his party still wanted Solicitor General Elmer MacKay to determine whether the CIA has carried out covert operations in Canada.

Foulkes and the U.S. Embassy in Ottawa also have denied the allegation. Justice Minister John Crosbie described the charges as "nonsense." Rayer was out of the country and could not be reached for comment.

Robinson had said his allegations were confirmed by a confidential source, the same person who sent him a secret 1976 document indicating the CIA sought information about the Anti-Inflation Board, Beaufort Sea drilling and Saskatchewan's potash industry.

The U.S. Embassy has confirmed the authenticity of the document which was issued by then- CIA director George Bush, now vice president.

Robinson said he has written to both American congressional intelligence committees asking them to launch a full-scale inquiry.

MacKay said he has asked his officials to probe whether the CIA used improper intelligence-gathering techniques in Canada, but added that any information collected was probably garnered through public sources.

Summits useful tools for dialogue, Bush believes

By Russell Warren Howe
THE WASHINGTON TIMES

If he became president during Ronald Reagan's second term, George Bush would find regular summit meetings with his Soviet counterpart useful "as a means of staying in contact rather than an event requiring concrete agreements to be successful," the vice president has told The Washington Times.

But Mr. Bush warned that Soviet-U.S. relations would have to be "on a more productive track before regular meetings are a realistic possibility."

He also indicated that, as president, he would plan to retain George Shultz as secretary of state.

In response to a score of written questions on how he would handle foreign policy if he found himself occupying the Oval Office, the man who expects to be still a "heartbeat away from the presidency" after today's election results are known said, "We are encouraged by the tone of [Soviet leader Konstantin] Chernenko's recent message, although Soviet substance has not changed.

"I do not believe the United States should make unilateral concessions simply to get talks going."

Mr. Bush said he was in "fundamental agreement" with Mr. Reagan on foreign policy and that "I also have great confidence in Secretary Shultz."

Regarding the Philippines, the vice president welcomed the growth of "moderate opposition groups pressing for democratic change."

"While the situation there is serious," he noted, "it is not without hope. In the recent elections, moderate opposition parties scored marked gains....

"The Philippines, while facing economic problems and problems of corruption, is a vital society, and it is important, whatever the outcome of the current turmoil, that we recognize the closeness of U.S.-Philippine ties."

Asked if he would work with similar opposition forces for change in Latin America, he said he "strongly supported" the Contadora process, spearheaded by Mexico, Panama, Colombia and Venezuela, which aims at peaceful resolution of conflicts between governments and dissidents.

"In the last four years, elected civilian governments have replaced unelected ones in Argentina, Bolivia, Honduras, El Salvador and Panama, while Uruguay, Guatemala and Grenada are in the process of making the transition to democracy," he said. "In contrast to the years of the Carter administration, not one country in Latin America has fallen to Marxist-Leninist revolution. Instead, Grenada has been liberated."

Mr. Bush said he would be prepared to normalize relations with Cuba only if Premier Fidel Castro "ceased his efforts to subvert and overthrow other governments in this hemisphere and ended his role as a Soviet military proxy in Africa and the Third World."

The vice president said he favored the 1982 Reagan initiative for solving the Palestine problem, but that he would not seek to impose it.

"The important thing is that the talks begin," he said. He opposed "permanent control by Israel" of the West Bank and Gaza, and supported Palestinian self-government in association with Jordan "as offering the best chance for a just and lasting peace." But, if the parties involved had other ideas, he would not "try to dictate to others."

He supported arms sales to moderate Arab states such as Jordan, Egypt and the Gulf countries, saying, "We should not insult our moderate friends and push them into the waiting arms of the Soviets by being indifferent to their very real self-defense needs."

Mr. Bush hoped for improved relations with Syria, but condemned Syrian "aggression" against Lebanon and its "coordination of terror."

On South Africa, he stressed that there should be "government by the consent of the governed" but not necessarily an American-style system.

"Apartheid is repugnant to our American values," he said, "and we're doing everything we can to encourage peaceful means of putting it where it belongs — in the history books....

"Some progress is being made within South Africa — not enough, but far more than would be the case if we took the advice of those who would have us drop all contacts with South Africa."

He anticipated success in current negotiations to get South African and Cuban forces out of Angola and to bring independence to South African-governed Namibia.

Referring to his own negotiations with Japan to iron out trade differences between Tokyo and Washington, he said that "protectionism must be resisted. Our record is not perfect on this score, but it is a good one. ... Protecting one industry raises costs to everyone else by making the American people pay higher prices for products that would not be competitive without protectionist barriers."

He was "optimistic about the future of the U.S.-Japanese relationship," but said it would take "continued efforts to ensure that the competitive aspects of the relationship, which are very healthy in themselves, do not overwhelm the cooperative foundation we have built."

Of China, to which he was the first post-revolution U.S. envoy, he said, "I am delighted with the progress that has been made in the relationship with the People's Republic." These ties are encouraging China to reform its economy

Bush Says Exposure Hurt Intelligence Effort

By GERALD M. BOYD
Special to The New York Times

PURCHASE, N.Y., Nov. 1 — Vice President Bush suggested today that United States intelligence gathering capabilities had suffered in the 1970's because of the exposure of American agents.

Mr. Bush made the comments as he defended the Administration's handling of terrorist attacks abroad in response to questions from the public outside the headquarters of PepsiCo Inc. The campaign stop was his last of several over the past two days in New York State.

In response to a question about the legislative priorities in a new Reagan term, he said the "legislative objective" would be to keep the recovery going, which would mean a continued effort to control the growth of Federal spending. Mr. Bush said the effort would start the "minute the election is over" and a budget for the next fiscal year was put together.

He Asserts Sources 'Dried Up'

The intelligence-gathering capabilities of the United States have emerged as an issue after three attacks on United States facilities in Beirut since Ronald Reagan became President. In recent weeks, his Democratic oppo-

nents have accused Mr. Reagan of failing to take proper precautions after warnings before two of the attacks.

Mr. Bush, a former Director of Central Intelligence, mirrored President Reagan's view by asserting that many of the United States' intelligence sources had "dried up" in the 1970's. He attributed the development to fear "that they would be exposed."

"I am convinced in the 70's we did lose sources when we had a lot of exposure," Mr. Bush said.

He was warmly received by the small crowd of people, many of whom work at the PepsiCo headquarters in this Westchester community.

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NEW YORK TIMES

1 October 1984

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Bush Says Ford Made 'Sense' On Beirut Blast

Asserts Reagan Should Accept Responsibility

By JANE PERLEZ

Special to The New York Times

CLEVELAND, Sept. 30.—Vice President Bush said today that "in the final analysis" it made "some sense" for President Reagan to accept responsibility in the terrorist bombing of the United States Embassy in Lebanon 10 days ago.

Mr. Bush was asked at a news conference if he agreed with former President Gerald R. Ford that Mr. Reagan "has to assume the responsibility for any problems that arise" at American installations abroad, including the Beirut bombing. The Vice President said: "In the final analysis, that makes some sense. And then you take credit for all the good things that happen."

Pressed further, Mr. Bush added, referring to Mr. Reagan: "I'd like you to ask him about how he feels about that. My own view is that as in Lebanon, he would say, for sure, he's the leader of the Administration."

The White House has been criticized as declining to shoulder responsibility for the circumstances of the attack Sept. 20 on the American Embassy in East Beirut. Last week the President suggested that cutbacks in intelligence by previous Administrations had resulted in a lack of warning about the bombing.

Departures From Reagan Views

Mr. Bush has occasionally departed somewhat from the President's views in the campaign, and last week, when the President's remarks on intelligence were widely viewed as a reference to the Carter Administration, Mr. Bush said the Carter White House could not be held responsible for intelligence cutbacks. Mr. Bush is a former Director of Central Intelligence.

As he has many times in the past week, Mr. Bush, echoing statements by Mr. Reagan on the bombing, said, "Fair-minded people would recognize, when dealing with abject international

terrorism, it is impossible to safeguard against all possibilities."

Mr. Bush came to the suburb of Parma near here for the annual Cuyahoga County Republican Committee picnic, where he gave a charged speech assailing the Democrats for confusing "greed and selfishness" with old-fashioned individual self-interest.

He declared, "The opposition talks as if it were immoral to want to take care of your own family, loved ones and work toward a good life, maybe buy a new car or get a mortgage on a home or save up for your children's education."

The 'American Dream'

"We've got news for them: That is the American dream and there's nothing wrong about it at all," Mr. Bush told about 1,000 people who braved gray and rainy skies to attend the outing.

The Democrats, he said, have "lately been lecturing on selfishness and greed and they talk about self-interest."

He said they thought that if "somebody wanted to work his way up" there was "something wrong with that as if it were a dirty word; as if it's selfish to

want to hold on to some of the rewards of your own labor and not have your paychecks taken away by escalating taxes."

Shirley Green, his deputy press secretary, described Mr. Bush's comments as a response to remarks by Geraldine A. Ferraro, the Democratic Vice-Presidential nominee. In a speech Saturday in Pittsburgh, Representative Ferraro said the election provided a choice between Republican "selfishness" and Democratic "compassion."

She criticized Mr. Bush for pulling out his wallet and saying that the election would be won on the basis of "who puts money into this and who takes money out." Mr. Bush demonstrated with his wallet at a Republicans state dinner in Columbus, Ohio, two weeks ago and said he was quoting wise words from former Gov. James A. Rhodes of Ohio. Mr. Rhodes was at the picnic with Mr. Bush today.

Meaning of Compassion

At the news conference after his speech, Mr. Bush said he could not cite any particular instances that demonstrated that the Democrats believed it

was "immoral" to care for family, but he said he was referring to their reliance on "more and more Federal intervention."

"I have the feeling they measure compassion with how much help the Federal Government can give," he said.

Mr. Bush's visit here was intended not only to inspire the local Republicans to work for the top of the ticket but to encourage help in a Congressional race in the Cleveland suburbs that Republicans think they have a shot at winning. The Vice President frequently mentioned Matt Hatchadorian, the Republican candidate who is challenging a first-term Democrat, Edward F. Feighan.

Mr. Bush also released a statement on Mr. Reagan's meeting with the Soviet Foreign Minister, Andrei A. Gromyko, in which Mr. Bush took part.

He said that "I am not claiming any major breakthroughs" but that the tone of the meeting was "constructive." There was "no vibrant hostility," Mr. Bush said. "I do think they saw a President in control."

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NEW YORK TIMES
28 September 1984

MONDALE CHARGES REAGAN IS EVADING BLAME IN BOMBING

Carter and Former Leaders of C.I.A. Assail President as Wrong on Intelligence

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, Sept. 27—Walter F. Mondale accused President Reagan today of an "inexcusable" attempt to shift the blame for last week's bombing of the American Embassy in Beirut. Earlier, the White House sought to soften Mr. Reagan's implication that the fault lay with the "near destruction of our intelligence capability" before his Administration took office.

At a news conference after his meeting in New York City with Andrei A. Gromyko, the Soviet Foreign Minister, Mr. Mondale asserted that Mr. Reagan should quit trying to pass on the blame for the incident.

"The latest statement by the President is inexcusable," Mr. Mondale said. "He should stand up and say he is responsible. By saying the C.I.A. is weak, he encourages terrorists and our enemies around the world to believe that we don't have an effective intelligence capacity, when we do."

Lesson Chapter 8

In Washington, Mr. Reagan complained to reporters about "the way you distorted my remarks about the C.I.A."

The White House spokesman, Larry Speakes, said the President was referring to "reports in the media putting the blame entirely on the Carter Administration." Several reporters said they had based their articles Wednesday on guidance from Reagan White House officials.

But today Mr. Speakes said the President had been talking about "a decade-long trend and a climate in Congress" in which "human intelligence had been weakened considerably."

Rebuttal on Intelligence Cuts

He added that the President had meant that this trend had led specifically to the bombing, although Reagan's comments had come in answer to a specific question about the incident. Two Americans and an unknown number of Lebanese died.

More broadly, several former intelligence officials said the cutbacks in overseas intelligence agents began in 1967, long before the Carter Administration. It was carried out, they said, under Presidents Johnson, Nixon and Carter, and by 1978, the Carter White House had reversed the trend and was pushing for increases in intelligence funds.

Moreover, several officials said there had been no intelligence failure before the Beirut bombing because warnings from terrorist groups that such an attack had been made public.

Former President Jimmy Carter, saying he had previously restrained himself in the face of "a stream of assertions" by President Reagan, issued an unusually strong statement yesterday. It charged that Mr. Reagan's "outrageous" statement yesterday that his predecessors are responsible for the repeated terrorist bombings of Americans is personally insulting and too gross in its implications to ignore."

"He only has to question his own administration officials to determine that his statement was also completely false," Mr. Carter added. "This series of tragedies in the Middle East has been brought about by the President's own deeply flawed policy and inadequate security precautions in the face of proven danger."

"His frivolous reference to kitchen repairs is indicative of his refusal to face the reality of his own responsibility," Mr. Carter went on, adding to Mr. Reagan's likening of constructing security barriers to getting a kitchen remodeled on schedule. "Reagan should apologize for these misleading statements," Mr. Carter asserted.

Mondale Sees a Divisive Move

Mr. Mondale said it was wrong for Mr. Reagan to suggest any division between the two major political parties on the need for a strong Central Intelligence Agency and to imply that he had inherited a weakened intelligence agency.

Mr. Reagan's comment came in response to a student's question about the Beirut bombing at a campaign stop at Bowling Green State University in Ohio on Wednesday. As he had said previously, Mr. Reagan observed that no security "can make you 100 percent safe" and an embassy is not a bunker."

Then he turned to
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feeling the effect
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Campaigning in Saginaw, Mich., Vice President Bush, who was a Director of Central Intelligence in 1976, said today that it would be wrong to interpret Mr. Reagan's comments as laying the blame for the Beirut bombing on the Carter Administration.

"But I do believe there were cuts made in the intelligence business that were inappropriate," Mr. Bush went on. "Laying off a lot of people and thus curtailing a lot of our sources on intelligence was not good for the overall intelligence community, and I think that's what the President's trying to say."

Former intelligence directors as well as Democratic politicians took issue with Mr. Bush's implication that this began with the Carter Administration. William E. Colby, who served in a Republican Administration as Director of Central Intelligence from September 1974 to January 1976, also called Mr. Reagan "mistaken on two counts."

"The first is that we began to reduce the size of the agency in 1957," Mr. Colby said. There was a gradual decline in numbers because there was a decline in covert action, in operations that try to influence other countries and a shift to intelligence collection and analysis, he said.

"The second is that the problem in Beirut was not a failure of intelligence but a problem of putting in proper security, Mr. Colby added. Mr. Speakes said that was the burden of a report given the President today by Robert Oakley, the State Department's top specialist on terrorism.

Other senior former intelligence officials said Richard Helms and James R. Schlesinger, the Directors of Central Intelligence under Presidents Johnson and Nixon, had eliminated 1,000 to 1,500 overseas agents under a deliberate plan to scale down the agency as American involvement in Vietnam and Southeast Asia was phased out.

Senate investigations of the agency in the mid-1970's led to disclosures of assassination plots, drug experimentation with unwitting human subjects, surveillance of Americans and a string of other abuses that hastened the agency's shift away from agents to increasingly sophisticated satellite, electronic and photographic monitoring and gathering.

NEW YORK TIMES
28 September 1984

FILE ONLY - DCI

A.22

Bush's Blind Trust: Guarding Against Conflicts of Interest

By JEFF GERTH

Special to The New York Times

WASHINGTON, Sept. 27 — The decision by Vice President Bush yesterday to release tax information from his trust has drawn attention to the use of trusts by Government officials. Relatively few officials have trusts, but those who do are usually the most powerful members of an Administration, whose financial arrangements are likely to attract public attention.

Under a trust arrangement, a Government official turns over some or all of his assets to an independent trustee who then handles investments and financial affairs independently of the official. This is designed to prevent conflicts of interest between Government duties and an official's personal holdings.

Mr. Bush initially said he could not release any tax information because his trust arrangement, set up when he took office, pro-

hibited him from seeing his tax returns. But Mr. Bush later said his attorneys had worked out an arrangement in which some information could be released without violating the purpose of the trust.

Two Kinds of Trusts Are Recognized

There are two kinds of trusts recognized by the Ethics in Government Act of 1978: a qualified blind trust and a qualified diversified trust. Only Presidential appointees subject to Senate confirmation, with the exception of the President and the Vice President, can use the diversified trust. All Government officials are eligible for a blind trust.

Mr. Bush uses a diversified trust, which is actually more restrictive than the blind trust. The diversified trust requires a trustee to file tax returns without divulging the contents to the official, whereas an official with a blind trust uses a summary of dividends and interest to file his own return but receives no information about the actual assets.

The diversified trust consists of a diversified portfolio of marketable securities. None of the assets initially placed in the trust can come from companies whose activities are connected to an official's primary area of responsibility.

According to F. Gary Davis, acting general counsel to the Office of Government Ethics, which monitors trusts, only 30 officials currently have trusts registered with the office.

Of those trusts, only 10 are diversified trusts. In addition to Mr. Bush, other officials using diversified trusts include Attorney General William French Smith and William J. Casey, the Director of Central Intelligence. Mr. Casey set up his trust after some lawmakers criticized his financial arrangements.

President Uses the Blind Trust

President Reagan has a blind trust. Some of his assets, such as his ranch near Santa Barbara, are outside the trust. Mr. Reagan's

trustee provides the President and Mrs. Reagan summary information for their tax returns, but no details of the holdings.

Trustees are required to make quarterly reports with the ethics office, and they must certify their independence. The ethics office does not audit the trusts but it does do spot checks and has the right to inspect the books and records of a trust.

All trusts are dissolved when an official leaves office.

Some Government officials and candidates for Federal office believe they are required to put their personal assets into a trust, though there is no such requirement. Most senior members of the Reagan Administration have placed their holdings in trust.

Government employees who do not use trusts must either divest themselves of holdings that might overlap with their official duties or disqualify themselves from actions in which they have a personal financial interest.

ARTICLE APPEARED
ON PAGE A-4WASHINGTON TIMES
28 September 1984

Carter angry at 'insult' White House aides claim Reagan remarks distorted

By Thomas D. Brandt
THE WASHINGTON TIMES

Congressional Democrats have characterized as "unfair and untrue" President Reagan's suggestion that the recent bomb attack on the U.S. Embassy in Beirut was due to Carter administration policies, while the White House said the president's remarks had been distorted.

The chairman of the House Intelligence Committee and the vice chairman of the Senate intelligence panel, both Democrats, yesterday said that the CIA's post-Vietnam budget decline had actually been reversed by Mr. Carter and anti-terrorism intelligence "received higher and higher priorities."

Mr. Carter, in a rare reaction to a comment by Mr. Reagan, said the president's claim "that his predecessors are responsible for the repeated terrorist bombings of Americans is personally insulting and too gross in its implications to ignore."

In the statement released by his office in Atlanta, Mr. Carter said a series of terrorist bombings directed at Americans in Lebanon "has been brought about by the president's own deeply flawed policy and inadequate security precautions in the face of proven danger."

The president's press spokesman, Larry Speakes, said Mr. Reagan did not mean to blame the Carter administration but a decade-long "climate in Congress that resulted in inadequate funding and support for intelligence-gathering capabilities" during both the Ford and Carter administrations.

"Specifically, human intelligence capabilities had been weakened considerably in that decade [the 1970s], partly because of lack of support, partly because of the confidence and trust abroad," Mr. Speakes told reporters in an exhaustive question-and-answer session about Mr. Reagan's remark.

The controversy was triggered Wednesday when Mr. Reagan, replying to a question at Bowling Green University in Ohio about whether embassy security around the world would have to be beefed up after last week's bombing, said:

"The real protection and where we're feeling the effects today of the near destruction of our intelligence capability in recent years — before we came here — the effort that somehow to say, well, spying is somehow dis-

honest and let's get rid of our intelligence agents, and we did that to a large extent."

He added, "We're trying to rebuild our intelligence to where you'll find out and know in advance what the target might be and be prepared for it."

Yesterday, posing for pictures in the Rose Garden with President Fernando Belaunde Terry of Peru, Mr. Reagan told reporters:

"I will answer your questions about the way you have distorted my remarks about the CIA." But he returned to his office without answering any questions or explaining what he meant.

Some White House aides traveling with Mr. Reagan on Wednesday told reporters the president meant to refer to the Carter administration. But the aides spoke off the record, and Mr. Speakes said yesterday that no one was authorized to say that.

Rep. Edward Boland, D-Mass., chairman of the House intelligence panel, outlined the bolstering of intelligence functions approved by Congress during the Carter and Reagan years and said "shortcomings on terrorism . . . are shortcomings of this administration, which has had four years to solve any problems."

"What happened during the Carter and Reagan years is that new requirements — for economic intelligence, drug trafficking intelligence, terrorist intelligence, third world military intelligence, etcetera — were added. As a result, new personnel and larger budgets were requested. . . . Congress by and large supported these requests."

Vice President George Bush, during a campaign appearance in Saginaw, Mich., yesterday said that while he believes intelligence-gathering capabilities have been damaged over the years, he would not blame the Beirut bombings on the Carter-Mondale administration.

Mr. Bush, a former director of the CIA, told reporters he believes the president was referring to budget cuts and congressional hearings that "blew the cover" of some foreign sources.

"It's difficult to build up sources if they believe their cover is going to be blown in public," Mr. Bush said. But he added that the U.S. has the best intelligence system in the world and that it is virtually impossible to defend against fanatic terrorists.

Sen. Patrick Moynihan, D-N.Y., vice chairman of the Senate intelligence panel, said the president's statement "betrays . . . almost a decade of sustained bipartisan efforts in the Congress to reconstruct an intelligence community whose budgets had run down steadily through the first half of the 1970s [during the Vietnam wind-down] and began to rise sharply in the second half."

Sen. Barry Goldwater, R-Ariz., chairman of the panel, had no comment on the issue, but he did join yesterday with Mr. Moynihan in introducing legislation requiring that the director and deputy director of the CIA be career intelligence officers from the military or civilian sectors and not political appointees.

Mr. Moynihan said the positions are of such critical importance to the nation that the people who fill them should come from professional rather than political ranks so "that their judgments reflect an independent evaluation of the facts and proposed courses of action."

Mr. Moynihan also released a copy of a March 8 letter from CIA director William J. Casey that said:

"All of us know that the increase in the personnel and budgetary strength of the agency began in 1979, that it was planned and proposed earlier . . ."

Sen. Patrick Leahy, D-Vt., another member of the Senate Intelligence Committee, said on the CBS "Morning News" yesterday that Mr. Reagan's charge is "an outrageous distortion of the facts."

"The biggest initial increase in the intelligence budget came during the Carter years," Mr. Leahy said. "The Reagan budget is basically a continuation of what President Carter started, so . . . it's hard to tell any difference between the two. They've both had bipartisan support."

According to preliminary State Department findings on last week's bombing of the U.S. Embassy in Beirut, the principle weakness at the facility was that the terrorists struck before all security measures had been completed.

President Reagan received the initial report yesterday from Ambassador Robert Oakley, director of the State Department's office to combat terrorism.

According to a White House spokesman, Mr. Oakley told the president that moving the embassy operations to new quarters in the east Beirut annex "was safer" than retaining the entire staff in west Beirut.

27 September 1984

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LEBANON/U.S.
EMBASSY ATTACK

RATHER: Over the past 24 hours, President and candidate Reagan made an effort to shift blame for lax security in the U.S. Embassy attack in Beirut. He blamed his predecessors in office, apparently trying to switch responsibility on to Jimmy Carter. White House spokesman Larry Speakes denies that. Other reactions have been swift and many. David Martin reports.

MARTIN: President Reagan today was busily backing away from his attempt to blame the latest terrorist bombing in Beirut on cuts made in intelligence operations by previous administrations. PRESIDENT\RONALD\REAGAN: I will answer your questions about the way you have distorted my remarks about the CIA.

MARTIN: The president didn't have anything to say later, but here's what he said yesterday to a student audience. REAGAN: We're feeling the effects today of the near destruction of our intelligence capability in recent years.

MARTIN: Although President Reagan didn't mention Jimmy Carter by name, the former president took offense. JIMMY\CARTER: It's personally insulting and too gross in its implications to ignore.

MARTIN: Even Vice President Bush agreed that the Carter administration can't be blamed for what happened in Beirut. VICE\PRESIDENT\GEORGE\BUSH: I don't think anyone can say that. But I do believe that there were cuts made in the intelligence business that, ah, were inappropriate.

MARTIN: Bush should know. He headed the CIA during the Ford administration when, according to two former intelligence officials interviewed by CBS News, the agency's budget reached its low point, the result of cutbacks following the pullout from Southeast Asia. But classified documents show it was Jimmy Carter and his CIA director, Stansfield Turner, who increased the budget. SEN.\DANIEL\MOYNIHAN (Select Intelligence Committee): And they rose under Mr. Carter in each of his budgets, and they have risen under Mr. Reagan in each of his budgets.

MARTIN: Despite the budget increases, Turner is remembered as the man who eliminated 800 jobs from the CIA's operations branch. Turner insists those cuts did not hurt. STANSFIELD\TURNER (former CIA director): The Carter administration did not reduce one intelligence operative overseas. We did cut back on some of the bureaucratic fat in Washington.

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WASHINGTON TIMES
26 September 1984

Mondale should not politicize tragedy in Beirut, Bush says

By Ron Cordray
THE WASHINGTON TIMES

CHICAGO — While continuing to accent the positive of the Reagan administration, Vice President George Bush is also starting to heat up the rhetoric against the Democrats.

Yesterday, Mr. Bush accused former Vice President Walter F. Mondale of attempting to make political gains from the tragedy of last week's bombing of the U.S. Embassy in Beirut which killed more than a dozen people.

"These things happen," Mr. Bush said of the most recent terrorist attack. "I'm a little troubled by the desperate need to criticize everything and make it into political advantage."

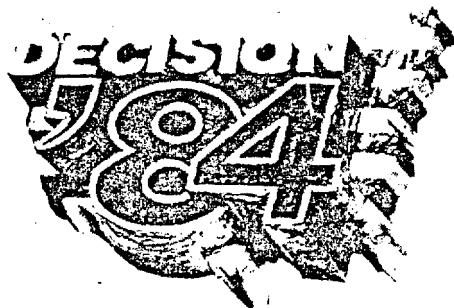
The vice president said it is virtually impossible to defend against "kamikaze" attacks by terrorists and told reporters that "You've seen international terrorism reach a new crescendo." The bottom line, he said, is that "we can't allow international terror to define our foreign policy."

"There is a certain desperation on the part of Walter Mondale," Mr. Bush said. "I don't recall him saying in advance he was concerned. He is operating from hindsight. If he has suggestions to improve our security, let's hear them."

Mr. Bush also criticized the Democratic ticket for implying this week's meeting between President Reagan and Soviet Foreign Minister Andrei Gromyko was politically motivated. "We're caught in a political campaign where everything the president says Mr. Mondale jumps up and says it's political."

Of President Reagan's speech at the United Nations Monday, Mr. Bush said there was nothing "particularly new" in the proposals, that the president has made similar overtures to the Soviets in the past.

He added that the speech "gave no signal at all" that the administration's position on a nuclear freeze has



changed. Such a freeze would "lock in superiority" for the Soviets, particularly in intermediate-range nuclear weapons, Mr. Bush said.

Questioned by reporters on why he does not release his assets and holdings, Mr. Bush said that when he became vice president everything was placed in a blind trust and he is prohibited from knowing what that trust includes. "It is the most rigid blind trust ever created," he said. "You can't have it both ways. If you go into the blind trust it violates the terms of the trust."

Mr. Bush said that "the very people who are attacking [CIA Director] Bill Casey for not having a blind trust are now asking me to violate my blind trust. My lawyers say I can't do it [open the trust for public inspection]."

Mr. Bush winds up a four-day Midwestern swing with a stop in Indianapolis tonight, Saginaw, Mich., and Erie, Pa., tomorrow.

In Illinois yesterday, Mr. Bush made a pitch for the Jewish vote while touring the predominantly Jewish Rogers Park area of Chicago. He shocked many shoppers by braving a driving rainstorm to visit Jewish business establishments along Devon Avenue, including a fish market where he showed his versatility by fileting trout.

He earlier spoke to students, parents and faculty at the Ida Crown Jewish Academy, where he drew enthusiastic applause by stating the United States

will not permit "anti-Semitic outbursts at the U.N. to pass unanswered, nor stand for the equating of Zionism with racism."

He said he was amazed at the ambivalence shown by the Carter-Mondale administration on this issue. "But, then I was also amazed and, frankly disgusted, that the Democratic Party's leadership found a platform plank condemning anti-Semitism too controversial to bring to the floor of their convention. There are no circumstances under which condemning anti-Semitism and repudiating anti-Semites

should be controversial in our republic."

This administration, Mr. Bush said, "has not flip-flopped in the U.N. like the Carter-Mondale administration did."

Asked by students at the academy why the Reagan administration has not lived up to the 1980 GOP platform which vowed to move the U.S. Embassy from Tel Aviv to Jerusalem, Mr. Bush said it must be negotiated as part of the overall peace process. "That pledge in the platform, like many, was not kept."

Mr. Bush wound up his day yesterday by attending a fundraiser for Sen. Charles Percy, R-Ill.

Casey is praised at CIA ceremony

By Saul Friedman
Inquirer Washington Bureau

WASHINGTON — Spies and other assorted secret agents and their secretaries came out into the warm for an unusual, semi-public ceremony yesterday at which President Reagan praised the CIA and its embattled chief, William J. Casey, as "the eyes and ears of the free world."

Lauding Casey for improving the management of the CIA, Reagan told its employees assembled for the ground-breaking of a \$190 million addition to the agency's building, "Your work, the work of your director, the other top officials have been an inspiration to your fellow Americans and to people everywhere."

Despite the top-secret security clearance of his audience, the President was accompanied by at least eight Secret Service agents as he strode to the sun-drenched platform set up on a grassy knoll behind the agency headquarters at Langley, Va.

His remarks seemed less than a personal endorsement of Casey, who has been accused of funneling stolen papers from Jimmy Carter's White House to President Reagan's 1980 campaign. Casey was Reagan's campaign manager.

And White House chief of staff James A. Baker 3d, who has sworn that he received such materials from Casey in 1980, did not accompany Reagan, although he ordinarily does so.

But deputy White House press secretary Larry Speakes said after the ceremony that Reagan's remarks were "an endorsement of the role of the CIA and the role of the director" and that the President continued to have confidence in Casey.

Speakes said he knew of no discussion between the President and Casey at the ceremony about a House subcommittee report released Wednesday that included the accusations against Casey. And Speakes said he knew of no plans for Casey to resign.

Casey, who has said he does not recall handling the Carter campaign

papers and has contradicted Baker's recollection, told reporters at the ceremony that he had not yet read the subcommittee report and reserved comment on it.

Even if that controversy had not brought drama to the ceremony, the scene itself was unusual. Employees and officials of the super-secret agency rarely assemble when cameras and tape recorders are around. And rarely are the photographers, television cameras and reporters of the White House press corps admitted to the agency grounds.

Indeed, the CIA insisted that no foreign reporters and only White House reporters who were U.S. citizens be admitted. Even so, there was a delay in admittance, and Art McNeill, a CIA public affairs officer, apologized: "We are unaccustomed to welcoming people to our compound."

He asked that cameras, ordinarily banned from the sprawling grounds, refrain from taking close-ups of agency personnel — looking much like bureaucrats anywhere in Washington — who streamed out of their offices to attend the late-morning ceremony.

And the employees were told to shed their identification badges, lest their names be seen by strangers.

For all that, Secret Service agents peered into the woods at the edge of the ceremony area. And despite their clearances or previous service, the officials, agents and other employees of the CIA, and former directors Richard Helms, James Schlesinger and William Colby, lined up to go through the metal detectors that follow the President to every public appearance.

The President stressed in his speech that the agency's secrets need to be maintained, "even in this, the most open and free country on Earth."

He then warned of the danger of losing them "through unauthorized and illegal disclosures of classified information" by federal officials, which he denounced as "improper, unethical and plain wrong."

Continued

25 May 1984

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REAGAN, AT C.I.A., COMMENDS CASEY AS AGENCY'S HEAD

Is Silent on Director's Role on
the Seized Carter Papers

— Ouster Is Doubted

By FRANCIS X. CLINES

Special to The New York Times

LANGLEY, Va., May 24 — President Reagan today praised the performance of William J. Casey as Director of Central Intelligence, but offered no comment on a Congressional report charging that crimes might have been committed in the 1980 Reagan Presidential campaign, which Mr. Casey directed.

While the White House dismissed questions about Mr. Casey's possible resignation as "highly farfetched," the President kept an engagement to visit the Director here in the pastoral setting of the Central Intelligence Agency headquarters.

Evaluation Is Under Way

Walking side by side with Mr. Casey on the agency's well-guarded 219-acre campus, Mr. Reagan broke ground for an addition to the headquarters building and praised the work of the agency and its director as "an inspiration to your fellow Americans."

Privately, White House officials assessed the political implications of the Congressional report, a two-volume study that called for the appointment of an independent counsel to investigate the behavior of Reagan officials in preparing for the 1980 debate with President Carter.

The report, issued by the Democratic majority of the House Human Resources subcommittee, concluded that the "better evidence" was that debate briefing papers of President Carter's camp were somehow obtained by Reagan strategists through the office of their campaign director, Mr. Casey.

Nicaraguan Actions Defended

Mr. Casey has denied having any recollection of this, but the President's chief of staff, James A. Baker 3d, has said he recalls receiving such papers from Mr. Casey. His view was backed by the Congressional report as the more credible.

With this contradiction threatening to linger unresolved through the Reagan re-election campaign this year, the President's spokesman, Larry Speakes, said today that the President continued to have "full confidence" in Mr. Casey.

The Presidential visit attracted a crowd of 2,000, serenaded in the sun-dappled C.I.A. grounds by tunes such as "Hey, Look Me Over" and "Put On a Happy Face." Clearly the visit was a morale boost for Mr. Casey and his staff. Mr. Reagan journeyed across the Potomac as Congress was debating the wisdom of the President's use of a C.I.A. covert operation in the campaign to undermine the Nicaraguan Government.

Mr. Reagan, hailing the agency as a "trip wire" for totalitarian aggressors, defended the use of "direct and indirect" support for nations threatened by Communist actions. He told the audience of agency workers, seated before him on a hillside: "New and vitally important missions are being performed that a few years ago many would have said were impractical or unachievable."

Mr. Reagan praised Mr. Casey in the context of what he said were "significant changes" carried out in the intelligence agency in the last three years.

The President did not allude to the briefing-papers controversy. Mr. Speakes later said that the subcommittee's findings were being studied by the office of the White House legal counsel, Fred Fielding, in advance of a staff briefing of the President. Mr. Baker was not in the Presidential party. The White House said he was busy at another engagement.

Last summer, when the controversy arose, the President at first dismissed it as "much ado about nothing" and mainly the work of partisan Democrats. Then, as it continued as a public matter, the White House announced that the President had sternly ordered his assistants to "get to the bottom" of it.

One ranking White House adviser, conceding the continuing political problem posed by the controversy, said privately it seemed "inevitable" that Attorney General William French Smith might eventually have to reverse his current position and refer the matter to

investigation by independent counsel. A court order to that effect is under appeal, with argument expected in late September, a time that, Republican strategists note, would be the height of the general election campaigning.

Other Criticisms Voiced

Privately, senior officials in the White House and in the Reagan re-election campaign concede that the affair remains a liability, particularly in focusing renewed attention on Mr. Casey. The Director has also been criticized on Capitol Hill lately for his handling of the Administration's covert Nicaraguan campaign.

"There's a lot on his plate," one official said.

Thus far, however, there has been no signal from Administration officials that President Reagan might attempt to resolve the issue either through seeking a personnel change or taking a more direct role in the inquiry. The political sensitivity is compounded by the fact that Mr. Baker, the director of the President's re-election campaign, has been neutralized in this matter by his role in the briefing-papers controversy.

Lately, Mr. Speakes has been emphasizing that an investigation by the Federal Bureau of Investigation found no evidence of a crime and that the President was maintaining a "hands off" attitude. The Republican minority of the House subcommittee has said that the report should not be taken seriously because it "arbitrarily" doubted Mr. Casey's sworn affidavit, and because the majority itself conceded the inability to reach "definitive conclusions."

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WASHINGTON POST
25 May 1984

Reagan Praises Casey During CIA Ground-Breaking Ceremony

By David Hoffman
Washington Post Staff Writer

President Reagan used a ground-breaking ceremony at CIA headquarters yesterday to praise William J. Casey the day after Democrats on a congressional subcommittee identified the CIA director as the recipient of briefing papers prepared for President Carter during the 1980 campaign.

In an outdoor speech to about 2,000 employees at the agency's headquarters near Langley, Reagan said, "Your work, the work of your director [and] the other top officials have been an inspiration to your fellow Americans and to people everywhere."

Casey has been involved in two controversies in recent weeks: the one over the debate papers and another over his alleged failure to tell the full truth to congressional oversight committees about CIA-backed mining of Nicaragua's harbors.

The mining was carried out as part of the CIA's assistance to the "contras" who are battling Nicaragua's Sandinista regime—support that Congress has threatened to shut off.

Reagan's trip yesterday was "certainly an endorsement" of CIA activities generally "and the role its director is playing there," White House spokesman Larry Speakes said. "The president has not changed his position on Director Casey" following the critical congressional report, and Casey still enjoys Reagan's "full confidence," Speakes added.

The House Post Office and Civil Service subcommittee on human resources said it has "difficulty accepting" Casey's sworn statement that he

does not recall receiving the Carter briefing papers or giving them to James A. Baker III, now the White House chief of staff. The panel said the "better evidence" supports Baker's claim that he got the papers from Casey.

Reagan did not mention the briefing papers controversy in his remarks yesterday, nor has he yet read the 2,413-page subcommittee report, Speakes said.

White House counsel Fred F. Fielding may brief the president about the document later, he added. As a result, Speakes said, Reagan cannot "pass judgment" on the document and "the matter still rests with the Justice Department."

The Justice Department is appealing a federal judge's order that it appoint a special prosecutor to investigate the case. The subcommittee's chairman, Rep. Donald J. Albosta (D-Mich.), has called for the appointment of a special prosecutor, known officially as an independent counsel.

On Capitol Hill yesterday, Senate Minority Leader Robert C. Byrd (D-

W.Va.) said "it is about time" that Reagan personally call Baker and Casey and ask them, "What is the truth here? What do you know?"

Speakes said the president had long planned to take part in the ground-breaking ceremony for a \$190 million, seven-story addition to CIA headquarters. When Reagan arrived, Casey strolled at the pres-

ident's side from the helicopter to the site of the ceremony and introduced him.

Baker did not attend. Casey, asked by reporters about the briefing papers, promised a statement later in the day, but none came.

The president said in his 10-minute speech that "an intelligence agency cannot operate effectively unless its necessary secrets are maintained . . ." He cautioned against endangering the "life and work" of intelligence agents and sources because of "carelessness, sensationalism or unnecessary exposure to risk."

Reagan also identified as "one of the greater dangers facing you" the "loss of necessary secrets through unauthorized and illegal disclosures of classified information." He said it was "improper, unethical and plain wrong."

The president, who has sought budget increases and more personnel for the CIA, called the agency "the eyes and ears of the free world" and declared, "You are the tripwire over which totalitarian rule must stumble in their quest for global domination."

Reagan claimed that U.S. support "for people whose countries are the victims of totalitarian aggression has blunted the communist drive for power in the Third World." This appeared to be an indirect reference to the CIA's covert operations in Central America.

The president yesterday described a "period of readjustment" during which "some of our adversaries who had grown used to disunity or weakness from the democracies are not enthusiastic about the success of our policies or the brightening trend in the fortunes of freedom."

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WASHINGTON TIMES
25 May 1984

Reagan praises Case ceremony

Reagan, Ronan

By John McCaslin
THE WASHINGTON TIMES

President Reagan yesterday praised the work of Central Intelligence Agency employes and Director William Casey as he broke ground for a 1.1 million-square-foot addition to the agency's Langley, Va., headquarters.

He told employes gathered at the ceremony that they and Mr. Casey "have been an inspiration to your fellow Americans and people everywhere."

Mr. Reagan's appearance followed by a day the release of a House subcommittee report charging that Mr. Casey, while Mr. Reagan's campaign manager, received "pilfered" Carter campaign documents before the 1980 Carter-Reagan debates.

Neither the president nor Mr. Casey made any reference to that report at the groundbreaking ceremonies for the \$190 million addition.

The president's participation in the CIA ceremony was "long planned," according to White House spokesman Larry Speakes, and his appearance was not scheduled to show his support for Mr. Casey.

Mr. Speakes said the president continues to have "full confidence" in Mr. Casey and is pleased with the director's leadership.

Commenting on the Post Office and Civil Service subcommittee report that alleges wrongdoing on Mr. Casey's part, Mr. Speakes said, "The matter, as far as the president is concerned, still rests with the Justice Department. . . and decisions will be made by the Justice Department without White House interference."

Mr. Speakes said President Reagan has not read the report, prepared by subcommittee Chairman Donald Albosta, D-Mich., but will be briefed on its contents by White House Counsel Fred Fielding.

Mr. Casey, when asked by reporters yesterday if he had read the Albosta report, gestured with his hands estimating the height of the 2,400-page report.

Mr. Reagan told several hundred CIA employes gathered on a sloping lawn surrounding the ground-breaking site that significant changes have occurred in the CIA since Mr. Casey was sworn in as director in January 1981.

"New and vitally important missions are being performed that a few years ago many would have said were impractical or unachievable," he said.

Declaring that the changes under way at the CIA are a "reflection of a larger renewal among the forces of freedom throughout the world," Mr. Reagan said adversaries who had grown used to disunity or weakness are "not enthusiastic about the success of our policies."

"The work you do each day is essential to the survival and to the spread of human freedom. You remain the eyes and the ears of the free world," Mr. Reagan said, adding that the CIA is the "trip wire" over which totalitarian rulers must stumble in their quest for global domination.



AP

President Reagan, left, Vice President George Bush, center, and CIA Director William Casey at yesterday's ground-breaking ceremony.

ARTICLE APPEARED
ON PAGE 22

BOSTON GLOBE
24 October 1984

LETTERS TO THE EDITOR

An easy preference

The vice presidential debate was unfair, a mismatch.

Ferraro is smarter than Bush, and more commanding. Her experience is not flawed by association with some of the shadier foreign affairs of our government.

She was neither a ranking member of the Nixon team nor director of the CIA. She demonstrates a greater commitment to an ethical society and to the values we profess to honor and respect.

Bush was dismayed overtly during the debate by Ferraro's opposition to aggressive action covertly conducted. Bush is a strong advocate of covert action, or "government engineering" as a high-ranking member of the military once called it.

Such actions are conducted covertly because they are unlawful and must be kept secret from the people of the United States.

The reasoning is pragmatic; most successful lawbreakers prefer covert action.

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WASHINGTON POST
18 October 1984

Joseph Kraft

The Real George Bush

This candidate must be someone else.

Many who asked the real Fritz Mondale to stand up have a similar obligation toward George Bush. For the vice president is a serious man, one of the few at the top of the administration concerned with the substance of issues.

But in the campaign, the patrician has tried to be a populist. He comes across, in consequence, as puerile.

The patrician stamp is all over Bush. He hails from an old New England family, and his father was a prominent banker and Republican senator from Connecticut. Bush himself went to Andover and Yale, and then served, heroically, as a Naval Air pilot in World War II. He married Barbara Pierce, a proper Smith girl from a fashionable New York suburb.

He entered public service in 1966 as a congressman from a silk-stocking district of Houston where he had made his fortune in the oil business. After losing a race for the Senate (to Lloyd Bentsen) in 1970, he became, in succession, ambassador to the United Nations, ambassador to China, director of central intelligence and vice president.

While not brilliant or singularly perceptive, Bush has been distinguished in public service by a sense of noblesse oblige. He carried the ball for a losing effort to save a U.N. seat for Taiwan even while Richard Nixon and Henry Kissinger were arranging the entry of mainland China. He took the CIA job out of a sense of duty, at a time when it meant cutting himself out as a vice presidential candidate in 1976.

At the CIA, Bush quickly discerned that the major problem was with Congress. He began rebuilding ties with the Hill, using all his connections and charm. Unlike some of his predecessors, he didn't dump on past CIA failures. When he left, in 1976, the stage was set for the steady buildup of the agency that followed.

"As an analyst," one CIA veteran says, "I'd give him a gentleman's C. But he gets an A-plus for morale."

During his unsuccessful run for the presidency in 1980, Bush made against Reagan most of the points subsequently advanced by the Democrats. He called the Reagan approach "voodoo economics" and predicted the record deficits. He differed with Reagan on the highly emotional issue of federal financing of abortions.

The sense of duty has marked Bush's performance in the Reagan administration. He has tried conscientiously to grasp the serious issues that confront the country. Compared with most of the rest of the president's entourage, with their emphasis on the appearance of things, he stands out as a veritable Gladstone.

Bush was the man sent to calm the Europeans after Ronald Reagan panicked them with a series of wild assertions that unless new American missiles were deployed there would be no U.S. deterrent force for the continent. On his trip he was so adroit at conveying American flexibility that both opponents in the forthcoming West German election—Chancellor Helmut Kohl and his Social Democratic foe, Hans-Jochen Vogel—applauded him.

After the terrorist attack on the Marines in Beirut, Bush led the way for the decision that pulled out the American force. He pushed strongly within the administration for the improvement of ties with China. Such congressional leaders as Rep. Barber Conable of New York regarded Bush as their man in the White House on measures to close the budget deficits.

But nobody would know any of this judging by his performance in the debate with Geraldine Ferraro. During the debate itself, Bush indulged in sweeping judgments and blatant appeals to the far right. He said his

views on abortion had been changed by the fact that there were 1.5 million abortions in the past three years. In fact, that large number tells against the Reagan position that would make the millions privy to those abortions either murderers or accomplices to murder.

He justified terrorist actions against governments that do not "believe in all the values that we believe in." He strongly implied that because of differences on human rights, there could be no accommodation between this country and Nicaragua.

Far worse was the deliberate effort by Bush to put down Ferraro. In a dialogue with a longshoreman after the debate, Bush said of the encounter: "We tried to kick a little ass last night." When questioned, he said the phrase was an "old Texas football expression . . . a way of expressing victory."

That attack on Ferraro is clearly deliberate. It follows a comment by Mrs. Bush about that "\$4 million . . . rhymes with witch," and a flat assertion by press secretary Pete Teeley that Ferraro is "bitchy."

The point, plainly, is to show Bush as a tough gut-fighter amenable to the Republican right. But the pose won't fool the right-wingers. They know that Bush comes from the wrong part of the country, went to the wrong schools and practices the wrong brand of religion. But the rest of the country knows what it sees and hears. So unless the real George stands up, the general impression will be of a foolish fellow unfit to be president.

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The Bush performance: show-stopper or sideshow?

The polls and a majority of pundits have declared George Bush the winner of last week's vice presidential debate; but I sat through his performance cringing.

At times, Mr. Bush was frenetic, almost out of control. At other times his behavior was just weirdly inappropriate. And throughout, he was so sycophantic toward his boss, the president, as to be laughable.

Geraldine Ferraro's performance was far from perfect. She got unnecessarily testy when asked about her lack of experience with military matters and she distracted her audience by constantly looking down at her notes.

More important, the substance of her answers on Central America and U.S.-Soviet relations suggested that she has thoughtlessly adopted the reflexive "blame-America" bias that prevails among many House Democrats.

But, what are we to make of George Bush?

Besides having been a member of Congress, as Rep. Ferraro now is, he has been vice president, CIA director, and ambassador to the United Nations and China, and yet he utterly lacks *gravitas*, the seriousness of spirit that it takes to lead a great nation.

Instead of a world leader, Mr. Bush comes across like a Boy Scout, a cheerleader, or a water boy — someone who jumps to salute when someone else commands.

He seemed so unsure of his own inner strength in the debate that he kept hammering at points long after they had been made. His high-pitched voice and blurting-out of strange interjections ("Whine on, harvest moon!") made him sound frantic.

His patronizing condescension toward Rep. Ferraro and constant fawning praise for President Reagan made Mr. Bush seem, in the end, pathetic.

And it was also pathetic to see Mr. Bush, the Brahminic preppy from Yale, try to be one of the boys with a Longshoreman's union official on the day after the debate by joshing, "We tried to kick a little ass last night."

Aides to Rep. Ferraro suspect that Mr. Bush's remark was no accident; but the extension of a pattern begun when Mr. Bush's press secretary called Rep. Ferraro "bitchy" and Mr. Bush's wife called her an "I can't say it, but it rhymes with rich."

The Ferraro aides charge that Mr. Bush either is reacting to Rep. Ferraro's being a woman, to her being an Italian-American, or to her being of less lofty socioeconomic origins than Mr. Bush. "In any event," one aide said, "the Bush attitude is 'How dare she oppose us?'"

Another theory is that Mr. Bush is indulging in displays of macho to build up his image for the 1988 Republican presidential race against Rep. Jack Kemp, a former professional football quarterback.

Whichever is correct, Mr. Bush does not come out of all this as inspiring confidence or demonstrating the self-confidence it takes to lead.

In the debate, too, he seemed so lacking in confidence in his ability to make points forcefully that he began attributing false motives to the Democrats.

One example was the allegation that Walter Mondale somehow had slurred the Secret Service, the people who "saved the life of the president," when in fact, Mr. Mondale only said that Mr. Bush pays a lower tax rate than Mr. Bush's chauffeur, who is a Secret Service man.

An even more Nixonian trick was Mr. Bush's statement that "for somebody to suggest, as our two opponents have, that these men (the 265 servicemen killed in Lebanon) died in shame, they better not tell the parents of those Marines."

Rep. Ferraro responded by giving Mr. Bush the spanking he deserved.

"No one has ever said that those young men who were killed through the negligence of this administration ... died in shame," she said. "No one who has a child, a son, who's 19 or 20, would ever say that about the loss of anybody else's child."

Mr. Bush also accused Rep. Ferraro of opposing all covert CIA operations, though in fact she opposes (mistakenly, I think) only aid to anti-government guerrillas in Nicaragua.

These low blows and the rest of Mr. Bush's performance suggest that he rattles under pressure.

He couldn't calmly praise Mr. Reagan's record. Instead, he heaped it on, as in the statement on Lebanon: "I don't think you can go assigning blame. The president, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens."

And then there was Mr. Bush talking about the president meeting with Soviet Foreign Minister Andrei Gromyko: "I wish everybody could have seen that one ... excellent, right on top of that subject matter and I'll bet Gromyko went back to the Soviet Union saying, 'Hey, listen, this president is calling the shots, we'd better move!'"

The conventional wisdom about Mr. Bush's performance is that it means nothing important for 1984, but only for 1988. I disagree. In the presidential debate with Walter Mondale, Mr. Reagan showed signs of age, intimations of mortality.

Ghoulish though it may be to think about, the fact is that Mr. Bush has to be looked at as someone who might be president before 1988.

Since the polls indicate that the Republicans still are likely to win the election, Mr. Bush's debate performance makes me want to pray for President Reagan's continued good health.

Morton Kondracke is executive editor of The New Republic and a nationally syndicated columnist.

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Another theory is that Mr. Bush is indulging in displays of macho to build up his image for the 1988 Republican presidential race against Rep. Jack Kemp, a former professional football quarterback.

Whichever is correct, Mr. Bush does not come out of all this as inspiring confidence or demonstrating the self-confidence it takes to lead.

In the debate, too, he seemed so lacking in confidence in his ability to make points forcefully that he began attributing false motives to the Democrats.

One example was the allegation that Walter Mondale somehow had slurred the Secret Service, the people who "saved the life of the president," when in fact, Mr. Mondale only said that Mr. Bush pays a lower tax rate than Mr. Bush's chauffeur, who is a Secret Service man.

An even more Nixonian trick was Mr. Bush's statement that "for somebody to suggest, as our two opponents have, that these men (the 265 servicemen killed in Lebanon) died in shame, they better not tell the parents of those Marines."

Rep. Ferraro responded by giving Mr. Bush the spanking he deserved.

"No one has ever said that those young men who were killed through the negligence of this administration ... died in shame," she said. "No one who has a child, a son, who's 19 or 20, would ever say that about the loss of anybody else's child."

Mr. Bush also accused Rep. Ferraro of opposing all covert CIA operations, though in fact she opposes (mistakenly, I think) only aid to anti-government guerrillas in Nicaragua.

These low blows and the rest of Mr. Bush's performance suggest that he rattles under pressure.

He couldn't calmly praise Mr. Reagan's record. Instead, he heaped it on, as in the statement on Lebanon: "I don't think you can go assigning blame. The president, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens."

And then there was Mr. Bush talking about the president meeting with Soviet Foreign Minister Andrei Gromyko: "I wish everybody could have seen that one ... excellent, right on top of that subject matter and I'll bet Gromyko went back to the Soviet Union saying, 'Hey, listen, this president is calling the shots, we'd better move.'"

The conventional wisdom about Mr. Bush's performance is that it means nothing important for 1984, but only for 1988. I disagree. In the presidential debate with Walter Mondale, Mr. Reagan showed signs of age, intimations of mortality.

Ghoulish though it may be to think about, the fact is that Mr. Bush has to be looked at as someone who might be president before 1988.

Since the polls indicate that the Republicans still are likely to win the election, Mr. Bush's debate performance makes me want to pray for President Reagan's continued good health.

Morton Kondracke is executive editor of The New Republic and a nationally syndicated columnist.

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FILE ONLY

Transcript of Philadelphia Debate Between Bush and Ferraro

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Coping With Terrorism

Q. Vice President Bush, since your Administration came to power the President has threatened a stern response against terrorism, yet murderous attacks have continued in Lebanon and the Middle East. Who's to blame, and you've been director of the Central Intelligence Agency. What can be done to stop it?

A **BUSH:** Terrorism is very, very difficult to stop. And I think everybody knows that. We had ambassadors killed in Sudan and the Lebanon some time ago, a long time ago. When you see the Israeli building in Lebanon after the death of our marines you see that, hit by terrorism, the Israelis, with all their experience fighting terrorism, you know it's difficult. When you see Khomeini with his radical Islam resorting to government-sponsored terrorism, it's very difficult. The intelligence business can do a good job, and I'm always one that defends the Central Intelligence Agency. I believe we ought to strengthen it and I believe we still have the best foreign intelligence business in the world. But it is very difficult to get the source information that you need to go after something as shadowy as international terror.

There was a difference between Iran and what happened in Lebanon. In Iran you had a government holding a U.S. Embassy; the Government sanctioning the takeover of that embassy by those students; the government negotiating with the United States Government for their release. In Lebanon, in the terror that happened at the embassy, you have the government there, Mr. Gemayel, that wants to help fight against terrorism. But because of the melee in the Middle East, it's there today and has been there yesterday and the day before, and everyone that's had experience in that area knows, it is a very different thing. So what we've got to do is use absolutely the best security possible. I don't think you can go assigning blame. The President, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens. But I think fair-minded people that really understand international ter-

ror knows that it's very hard to guard against. And the answer then really lies in the Middle East and terrorism happening all over the world, is a solution to the Palestine question, the follow-on to Camp David under the umbrella of the Reagan September of 1982 initiative. That will reduce terror, it won't eliminate it.

Q. You mention Khomeini, some Republicans charge the previous Administration with being almost helpless against Khomeini and Libya's Quaddafi. Why hasn't your Administration done something to take action against Arab states that foment this kind of terrorism?

BUSH: What we've done is to support Arab states that want to stand up against international terror, quite different. We believe in supporting, without jeopardizing the security of Israel in any way, because they are our one strategically in the area, they are the one democracy in the area and our relations with them has never been better. But we do believe in reaching out to the, what they call the G.C.C., those Gulf Cooperative Council states, those moderate Arab states in that world, and helping them with defensive weapons to guard against international terror or radical Islam perpetuated by Khomeini. And because we've done that and because the Saudis chopped down a couple of those intruding airplanes a while back, I think we have helped keep the peace in the Persian Gulf.

Q: Congresswoman Ferraro, you and former Vice President Mondale have criticized the President over the bombings in Lebanon, but what would you do to prevent such attacks?

FERRARO: Let me first say that terrorism is a global problem, and let me say secondly that the — Mr. Bush has referred to the embassy that was held in Iran. Well, I was at the White House in January, I guess it was, in '81, when those hostages, all 52 of them, came home alive. It was at that time that President Reagan gave a speech welcoming them home — as America did, we were so excited to see them back. But what he said was: The United States has been embarrassed for the last time. We're going

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Again, the President said: I assume responsibility. I'd like to know what that means. Are we going to take proper precautions before we put Americans in situations where they're in danger, or are we just going to walk away, throwing our arms up in the air now — quite a re-

versal from the first time, from the first time when he said he was going to do something? Or is this President going to take some action?

Q. Some Democrats cringe at the words "spying" and "covert activity." Do you believe both of them have a legitimate role in countering terrorist activity around the world.

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MODERATOR: Vice President Bush.

BUSH: Well, I'm surprised. I think I just heard Mrs. Ferraro say that she would do away with all covert actions, and if so, that has very serious ramifications, as the intelligence community knows. This is serious business. And sometimes it's quiet support for a friend, and so I'll leave that one there.

But let me help you with the difference, Mrs. Ferraro, between Iran and the Embassy in Lebanon. Iran — we were held by a foreign government. In Lebanon you had a wanton, terrorist action where the Government opposed it. We went to Lebanon to give peace a chance, to stop the bombing of civilians in Beirut, to remove 13,000 terrorists from Lebanon — and we did.

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MODERATOR: Congresswoman Ferraro.

FERRARO: Let me just say, first of all, that I almost resent, Vice President Bush, your patronizing attitude that you have to teach me about foreign policy. I've been a member of Congress for six years; I was there when the Embassy was held hostage in Iran, and I have been there and I've seen what has happened in the past several months; 17 months of your Administration.

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men who were killed through the negligence of this Administration and others ever died in shame. No one who has a child who is 19 or 20 years old, a son, would ever say that at the loss of anybody else's child.

MODERATOR: Mr. White.

Q: Congresswoman Ferraro, you've repeatedly said that you would not want your son to die in an undeclared war for an uncertain cause. But recently your running mate, Mr. Mondale, has suggested that it may become necessary to erect a military quarantine or blockade of Nicaragua. Under what circumstances would you advocate the use of military force, American combat forces, in Central America?

FERRARO: I would advocate the use of force when it was necessary to protect the security of our country, protect our security interest or protect our people or protect the interests of our friends and neighbors. When President — I'm jumping the gun a bit, aren't I? — when Mr. Mondale, Mr. Mondale referred to the quarantine of Central America, a country in Central America, what he is referring to is a last resort after all other means of attempting to settle the situation down in that region of the world had been exhausted.

Quite frankly now what is being done by this Administration is an Americanizing of a regional conflict. They're moving in militarily instead of promoting the Contadora process, which, as you know, is the process that is in place with the support of Mexico and Colombia and Panama and Venezuela.

Instead of supporting the process, our Administration has in Nicaragua been supporting covert activities to keep that revolution going in order to overthrow the Sandinista Government; in El Salvador was not pushing the head of the Government to move toward correction of the civil rights, human rights problems that existed there, and now this Administration seems almost befuddled by the fact that Nicaragua is moving to participate in the Contadora process, and El Salvador is, through its President Duarte, is reaching out to the guerrillas in order to negotiate a peace.

What Fritz Mondale and I feel about the situation down there is that what you do is you deal first through negotiation. That force is not a first resort, but certainly a last resort in any instance.

MODERATOR: A follow-up, please.

Q: Many times in its history the United States has gone to war in order to defend freedom in other lands. Does your answer mean that you would be willing to forgo the use of military force even if it meant the establishment of a Soviet-backed dictatorship so close to our own borders?

FERRARO: No, I think what you have to do is work with the Government — I assume you're speaking about the Government of Nicaragua — work with that Government to achieve a pluralistic society. I mean they do have elections that are coming up on Nov. 4. I think we have to work with them to achieve a peaceful solution to bring about a pluralistic country.

No, I'm not willing to live with a force that could be a danger to our country. Certainly, I would see that our country would be there putting all kinds of pressure on the neighboring countries of Honduras, of Costa Rica, of El Salvador, to promote the kind of society that we can all live with and security in this country.

Q: Vice President Bush, both Cuba and Nicaragua are reported to be making extensive preparations to defend themselves against an American invasion, which they claim could come this fall. And even some of your Democratic opponents in Congress have suggested that the Administration may be planning a December surprise invasion. Can you tell us under what circumstances a re-elected Reagan Administration would consider the use of force in Central America or the Caribbean?

BUSH: We don't think we're to be required to use force. Let me point out that there are 2,000 Cuban military and 7,500 so-called Cuban advisers in Nicaragua. There are 55 American military in El Salvador.

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Continued

We don't like it, frankly, when Nicaragua exports its revolution or serves as a conduit for supplies coming in from such "democracies" as North Korea, Bulgaria the Soviet Union and Cuba, to try to destabilize El Salvador.

Yes, we're concerned about that. Because we want to see this trend toward democracy continue. There have been something like 13 countries since we've come in move toward the democratic route, and let me say that Grenada is not unrelated. And I have a big difference with Mrs. Ferraro on that one. We gave those four tiny Caribbean countries a chance. We saved the lives, and most of those thousand students said that they were in jeopardy. Grenada was a proud moment because we did stand up for democracy.

But in terms of threat of these countries, nuclear, I mean, weapons, no. There's not that kind of a threat. It's Mr. Mondale that proposed the quarantine, not Ronald Reagan.

Mining Nicaragua's Harbors

Q: Considering this country's long respect for the rule of international law, was it right for the United States to be involved in mining the harbors of Nicaragua, a country we're not at war with, and to subsequently refuse to allow the World Court to adjudicate that dispute and the complaint from Nicaragua?

BUSH: I support what we're doing. It was supported to the Congress and under the law. I support it. My only regret is that the aid for the contras, those people that are fighting, we call them freedom fighters. They want to see the democracy perfected in Nicaragua. Am I to understand from this assault on covert action that nowhere in the world would we do something that was considered just off base when Mrs. Ferraro said she'd never support it? Would she never support it if the violation of human rights was so great and quiet support was necessary for freedom fighters?

Yes, we're for the contras. And let me tell you another fact about the contras. Everyone that's not for this, everyone who wants to let that Sandinista Government prevail, just like that Castro did, all of that, the contras are not Somozistas. Less than 5 percent of the contras supported Somoza. These were people that wanted a

revolution. These are people that felt the revolution was betrayed. These are people that support human rights. Yes, we should support them.

MODERATOR: Congresswoman Ferraro.

FERRARO: I spent time in Central America in January and had an opportunity to speak to the contras after the incident in Nicaragua and in El Salvador. Let me just say that the situation as it exists now, because of this Administration's policies, are not getting better. We're not moving towards a more secure area of the world. As a matter of fact the number of troops that the Sandinistas have accumulated since the Administration started its covert activities has risen from 12,000 to 50,000, and of course the number of Soviet and Cuban advisors has also increased. I did not support the mining of the harbors in Nicaragua; it is a violation of international law. Congress did not support it and as a matter of fact, just this week, the Congress voted to cut off covert aid to Nicaragua unless and until a request is made and there is evidence of need for it, and the Congress approves it again in March. So if Congress doesn't get laid on, the covert activities

which I opposed in Nicaragua, those C.I.A. covert activities in that specific country, are not supported by the Congress. And believe it or not, not supported by the majority of people throughout the country.

MODERATOR: Vice President Bush.

BUSH: Well, I would simply like to make the distinction again between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist route. Ortega, the commandante who is head of the Nicaraguan Sandinistas, is an avowed Marxist. They don't believe in the church. They don't believe in free elections. They don't believe in all of the values that we believe in. So it is our policy to support the democracy there, and when you have freedom fighters that want to protect that revolution, and go the democratic route, we believe in giving them support. We are for democracy in the hemisphere. We are for negotiations. \$3 out of every \$4 that we sent down there has been for economic aid to support the people's chance to eat and live and be happy and enjoy life. And one-fourth only was military. You wouldn't get that from listening to Mr. Mondale.

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EXCERPTED

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But in terms of threat of these countries, nuclear, I mean, weapons, no. There's not that kind of a threat. It's Mr. Mondale that proposed the quarantine, not Ronald Reagan.

Mining Nicaragua's Harbors

Q: Considering this country's long respect for the rule of international law, was it right for the United States to be involved in mining the harbors of Nicaragua, a country we're not at war with, and to subsequently refuse to allow the World Court to adjudicate that dispute and the complaint from Nicaragua?

BUSH: I support what we're doing. It was supported to the Congress and under the law. I support it. My only regret is that the aid for the contras, those people that are fighting, we call them freedom fighters. They want to see the democracy perfected in Nicaragua. Am I to understand from this assault on covert action that nowhere in the world would we do something that was considered just off base when Mrs. Ferraro said she'd never support it? Would she never support it if the violation of human rights was so great and quiet support was necessary for freedom fighters?

Yes, we're for the contras. And let me tell you another fact about the contras. Everyone that's not for this, everyone who wants to let that Sandinista Government prevail, just like that Castro did, all of that, the contras are not Somoza. Less than 5 percent of the contras supported Somoza. These were people that wanted a

revolution. These are people that felt the revolution was betrayed. These are people that support human rights. Yes, we should support them.

MODERATOR: Congresswoman Ferraro.

FERRARO: I spent time in Central America in January and had an opportunity to speak to the contras after the incident in Nicaragua and in El Salvador. Let me just say that the situation as it exists now, because of this Administration's policies, are not getting better. We're not moving towards a more secure area of the world. As a matter of fact the number of troops that the Sandinistas have accumulated since the Administration started its covert activities has risen from 12,000 to 50,000, and of course the number of Soviet and Cuban advisors has also increased. I did not support the mining of the harbors in Nicaragua; it is a violation of international law. Congress did not support it and as a matter of fact, just this week, the Congress voted to cut off covert aid to Nicaragua unless and until a request is made and there is evidence of need for it, and the Congress approves it again in March. So if Congress doesn't get laid on, the covert activities

which I opposed in Nicaragua, those C.I.A. covert activities in that specific country, are not supported by the Congress. And believe it or not, not supported by the majority of people throughout the country.

MODERATOR: Vice President Bush.

BUSH: Well, I would simply like to make the distinction again between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist route. Ortega, the commandante who is head of the Nicaraguan Sandinistas, is an avowed Marxist. They don't believe in the church. They don't believe in free elections. They don't believe in all of the values that we believe in. So it is our policy to support the democracy there, and when you have freedom fighters that want to protect that revolution, and go the democratic route, we believe in giving them support. We are for democracy in the hemisphere. We are for negotiations. \$3 out of every \$4 that we sent down there has been for economic aid to support the people's chance to eat and live and be happy and enjoy life. And one-fourth only was military. You wouldn't get that from listening to Mr. Mondale.

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EXCERPTED

A-16WASHINGTON POST
12 October 1984

TEXT OF THE BUSH-FERRARO DEBATE

SECURITY PROBLEMS

A Vice President Bush, since your administration came to power, the president has threatened a stern response against terrorism. Yet, murderous attacks have continued in Lebanon and the Middle East. Who's to blame and—you've been director of the Central Intelligence Agency—what can be done to stop it?

BUSH: Terrorism is very, very difficult to stop. And I think everybody knows that. We had ambassadors killed in Sudan and Lebanon some time ago, a long time ago. When you see the Israeli building in Lebanon after the death of our Marines, you see that hit by terrorism—the Israelis, with all their experience, fighting terrorism—you know it's difficult. When you see [Ayatollah Ruhollah] Khomeini, with his radical Islam, resorting to government-sponsored terrorism, it's very difficult.

The intelligence business can do a good job and I'm always one that defends the Central Intelligence Agency. I believe we ought to strengthen it and I believe we still have the best foreign intelligence business in the world. But it is very difficult to get the source information that you need to go after something as shadowy as international terror.

There was difference between Iran and what happened in Lebanon. In Iran, you had a government, holding a U.S. Embassy, the government sanctioning the takeover of that embassy by those students, the government negotiating with the United States government for their release. In Lebanon, in the terror that happened at the embassy, you have the government there, Mr. [Amin] Gemayel, that wants to help fight against terrorism. But because of the melee in the Middle East—it's there today and has been there yesterday and the day before, as anyone that's had experience in that area knows—it is a very different thing. So, what we've got to do is use absolutely the best security possible.

I don't think you can go assigning blame. The president, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens. But I think fair-minded people that really understand international terror, knows that it's very hard to guard against. And the answer, then, really lies in the Middle East—and terror is happening all over the world—is a solution to the Palestine question. The follow on the Camp David under the umbrella of the Reagan September of 1982 initiative. That will reduce terror. It won't eliminate it.

You mention Khomeini. Some Republicans charge the previous administration with being almost helpless against Khomeini and Libya's [Muammar] Qaddafi. Why hasn't your administration done something to take action against Arab states that foment this kind of terrorism?

BUSH: What we've done is to support Arab states that want to stand up against international terror. Quite different. We believe in supporting, without jeopardizing the security of Israel in any way, because they are our one strategic ally in the area. They are the one democracy in the area, and our relations with them has never been better. But we do believe in reaching out to what they call the GCC, those Gulf Cooperative Council states, those moderate Arab states in the world, and helping them with defensive weapons to guard against international terror or radical Islam perpetuated by Khomeini. And because we've done that, and because the Saudis chopped a couple of those intruding airplanes a while back, I think we have helped keep the peace in the Persian Gulf.

Congresswoman Ferraro, you and former Vice President Mondale have criticized the president over the bombings in Lebanon. Well, what would you do to prevent such attacks?

FERRARO: Let me first say that terrorism is a global problem, and let me say, secondly, that Mr. Bush has referred to the embassy that was held in Iran. Now I was at the White House in January, I guess it was, in 1981, when those hostages, all 52 of them, came home alive. It was at that time that President Reagan gave a speech welcoming them home, as America did. We were so excited to see them back.

But what he said was, the United States has been embarrassed for the last time, we're going to stand tall and if this ever happens again there's going to be swift and immediate steps taken to address the wrong that our country has . . . suffered.

In April of 1983 I was in Beirut and visited the ambassador at the embassy. Two weeks later, that embassy was bombed. At that time, take a look at the crazy activities of terrorists—you can't blame that on anybody, and they're going to do crazy things, and you just don't know what's going to happen.

The following October there was another bombing, and that bombing took place at the Marine barracks where there were 242 young men who were killed. Right after that bombing occurred, there was a commission set up, called the Long Commission, and that commission did a study of the security arrangements around where the Marines were sleeping and found that there was negligence, that they did not have proper gates up, proper precautions to stop those trucks from coming in. And so the Long Commission issued a report and President Reagan got up and he said, "I'm commander in chief. I take responsibility." And we all waited for something to be done when he took responsibility.

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COLUMBUS A-J

Bush, Ferraro Clash in Debate

Vice-Presidential Contenders Divide Sharply Over President

By Rick Atkinson and Dale Russakoff
Washington Post Staff Writers

PHILADELPHIA, Oct. 11—Vice President Bush and Geraldine A. Ferraro clashed here tonight in a debate in which Bush called President Reagan a force for peace and prosperity while Ferraro charged that his policies were dangerous and insensitive.

In only the second such vice-presidential face-off in U.S. history, the two sharply disputed issues ranging from arms control and the economy to abortion and civil rights. At the same time, both were forced to answer anew questions about their personal finances, a topic that has plagued both campaigns.

Both sides approached the encounter with the idea that it could have an important effect on the Democratic momentum that developed with Walter F. Mondale's performance against Reagan in the first presidential debate last Sunday.

The sharp differences articulated by the Italian immigrant's daughter and the son of a patrician New England senator were most evident in their statements closing their 90-minute match-up.

"It's the clearest choice in some 50 years," Bush said. "The choice is to move forward with strength and prosperity, or do we go back to weakness and despair?"

But Ferraro pleaded for a return to "the values of fairness and equal opportunity" and vowed in the debate's final line, "This campaign is not over. For our country, for our future, for the principles we believe in, Walter Mondale and I have just begun to fight."

The most combative exchange came in their discussion of foreign policy, when Ferraro turned to Bush at one point and rebuked him for misrepresenting her views and being "patronizing."

"Leave the interpretation to the American people watching this debate," she chided, after Bush suggested that she was opposed to all covert intelligence activities.

As they have throughout the campaign, the themes of religion and politics were mingled again tonight. Ferraro, a Roman Catholic who has tangled with members of the church hierarchy over her views on abortion, again pledged that she would resign from office if she were unable to reconcile her religion with her constitutional duties.

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The panelists for the debate, which was sponsored by the League of Women Voters and held in the Civic Center, were Robert Boyd of Knight-Ridder, John Mashek of U.S. News & World Report, Norma Quarles of NBC News and Jack White of Time magazine. Sander Vanocur of ABC News was the moderator.

It was clear from the outset that both candidates arrived with agendas in mind, and neither appeared inclined to allow the questions to divert them. Bush used every opportunity to praise the Reagan administration's record and to chastise what he called "those liberals in that House."

For her part, Ferraro brushed past a question about Bush's extensive government service to expound on her favorite campaign message, that the Reagan administration is insensitive to those who have not shared in the economic recovery.

Even the styles of the two candidates were sharply different. Like the former prosecutor she is, Ferraro constantly scribbled notes and referred to them repeatedly, shaking her pen for emphasis.

Bush kept his eye on the camera and occasionally uncorked prepared one-liners, as when he said of Mondale, "If somebody sees a silver lining, he finds a big black cloud out there. Whine on harvest moon."

The vice president's strongest moments appeared to come when he capitalized on his diplomatic and intelligence experience in defending the administration's policies abroad. For example, he offered a detailed explanation of the distinction between the internal workings of the Marxist regime in Nicaragua and the newly elected moderate government in El Salvador after Ferraro denounced Reagan's covert war against the Sandinistas.

Ferraro, however, pointed out that she also has traveled to Central America and that Reagan's policies have not prevented a fourfold buildup in the Sandinista army.

"This administration has spent a trillion dollars on defense but it hasn't gotten a trillion dollars in national security," she added.

When asked about her relative inexperience after only six years in Congress, Ferraro noted that she also had worked as a teacher and prosecutor and quipped, "I wasn't born at the age of 43 when I entered Congress." She also said, "I level with people. I approach problems analytically."

The contrast between the two parties' views of the federal government's role emerged clearly as the two candidates debated domestic policy. Bush argued that economic recovery was the tonic to cure most social ills, while Ferraro slammed the administration for cutting school aid and disability aid while retreating from affirmative action.

"Is it a civil right to have [inflation] going off the chart so you're hurting every American family?" Bush asked. "I'm not suggesting there's not poverty," he continued. "The way to work out of poverty . . . is through real opportunity."

Ferraro questioned the breadth of the economic recovery, however, by drawing repeatedly on her campaign-trail encounters with the jobless or those threatened by toxic waste. She also charged Bush with distortions in contending that Reagan had brought a new prosperity to the country and said that 4 million more jobs were created during the Carter administration than in the last four years.

"People in Johnstown, Pennsylvania, are not terribly thrilled about what's happening in the economy," she said, citing a campaign stop in which she viewed a steel mill nearly idled by foreign competition.

As the debate opened, Bush was asked whether he would follow Reagan's policies if called upon to assume the presidency, given their past differences.

"I don't think there's a great deal of difference between my ideas and the president's," Bush replied.

He quickly shifted away from the question to praise Reagan about the economy: "This president turned it around, and I was with him every step of the way."

When pressed further on his differences, Bush declared, "I owe my president my judgment, and then I owe him my loyalty." He pointed

cut that Ferraro has disagreed with Walter F. Mondale on some issues.

Ferraro, asked to compare her six years in Congress with Bush's extensive experience as ambassador, congressman and CIA director, replied, "It is not only what's on your resume that makes you qualified." She noted that she also had worked as a teacher and assistant prosecutor in Queens.

Ferraro then turned the question into an attack on Reagan's policies, recalling that Bush had coined the phrase "voodoo economics" during the 1980 primary campaign to describe Reagan's policies.

"It was, and it is," Ferraro said.

Questioned about civil rights, Ferraro delivered a harsh attack on what she called the "failures of this administration" and "those very terribly unfair cuts for poor people in this country."

"There is a real difference between how the Mondale-Ferraro administration will address civil rights and the failures of this administration," she said, reciting the administration's support of tax breaks for segregated colleges and its opposition in the Grove City (Pa.) College case to equal funding for women's programs in colleges receiving federal funds.

Bush denied that the Reagan administration had cut funding for the poor, saying spending on food stamps and welfare had increased. He previously has acknowledged that these increases result largely from a rise in the number of people below the poverty line.

"We have some problems in attracting the black voter, and I think our record deserves better," Bush said. He cited support for black colleges, enterprise zones and a lowered minimum wage that he said would help black youth.

On the issue of separation of church and state, Bush and Ferraro agreed in principle but clashed on some particulars.

Bush repeated the administration's support for prayer in public schools, while Ferraro argued that our "country is founded on the principle that the government should be neutral" on religious issues.

When Ferraro charged that the Rev. Jerry Falwell, leader of the Moral Majority, has promised to

pick the next two Supreme Court justices to fill any vacancies arising in a second Reagan administration, Bush called it a "canard" and "slander against the president." He noted that Reagan's only appointment to the high court has been that of Sandra Day O'Connor.

Bush and Ferraro defended their complex finances, which have been the subject of controversy. Ferraro drew laughter when she said she had hired a "marvelous accountant [who] will be doing my taxes for the next eight years"—presumably for her two terms as vice president.

Ferraro said she had urged the House ethics committee to move swiftly to investigate her claim to an exemption from disclosing income from a firm in which she is a partner with her husband. She said that during the controversy over this claim, "I filed more financial information than any candidate in the history of this country."

Bush, whose payment of less than 13 percent of his income in federal taxes last year has stirred comment, also said he has made the greatest financial disclosure of any vice president.

Bush said Mondale made a "cheap shot" in criticizing his federal tax rate. He said he paid 42 percent of his gross income in state, local and federal taxes. He presumably was referring to the entire three-year period for which he recently released figures.

In the sharpest exchange between the two candidates, Ferraro turned to Bush and said in a frosty tone, "I almost resent, Vice President Bush, your patronizing attitude that you have to teach me about foreign policy."

Bush had suggested that Ferraro's opposition to covert CIA operations in Central America meant that she was inclined to abolish all such operations. He also implied that she did not understand the difference between terrorism in Beirut and the hostage crisis in Iran.

Following up her rebuke, Ferraro added, "Please don't categorize my answers either. Leave the interpretation to the American people watching this debate."

She said there is a "legitimate" role for covert operations by the U.S. government.

The two differed sharply on the

diplomatic ends in Central America.

Bush forcefully defended the Grenada invasion and the "covert war" against the Sandinista government in Nicaragua. Citing his extensive dealings with officials in Central America, he suggested that Ferraro was naive to criticize the policies.

"There is a distinction between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist-Leninist route," he said.

Ferraro said the Reagan administration "is Americanizing a regional conflict in Central America," adding, "Fritz Mondale and I feel you do deal first through negotiation, that force is not a first resort but certainly a last resort in any instance."

As they have on the campaign trail, Bush and Ferraro disagreed sharply on the issue of arms control. Ferraro charged Reagan with opposing every arms-control agreement "that every other president has negotiated."

Bush noted that the Soviet Union has had three heads of state during Reagan's term. Despite what he described as solid American proposals on intercontinental and intermediate-range nuclear missiles, "the Soviets have not been willing to talk," Bush said.

Ferraro said that being a woman would not interfere with her effectiveness as commander in chief.

"Are you saying that I would have had to have fought in a war in order to love peace?" she asked in response to a question. "It's about as valid to say that you have to be black in order to despise racism, that you have to be female in order to despise sexism."

She pledged to move to reduce the arms race, which she accused the Reagan administration of escalating, and said: "I think when we take a look at the failures of this administration, that would be No. 1."

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TEXT OF THE BUSH-FERRARO DEBATE

SECURITY PROBLEMS

A

Vice President Bush, since your administration came to power, the president has threatened a stern response against terrorism. Yet, murderous attacks have continued in Lebanon and the Middle East. Who's to blame and—you've been director of the Central Intelligence Agency—what can be done to stop it?

BUSH: Terrorism is very, very difficult to stop. And I think everybody knows that. We had ambassadors killed in Sudan and Lebanon some time ago, a long time ago. When you see the Israeli building in Lebanon after the death of our Marines, you see that hit by terrorism—the Israelis, with all their experience, fighting terrorism—you know it's difficult. When you see [Ayatollah Ruhollah] Khomeini, with his radical Islam, resorting to government-sponsored terrorism, it's very difficult.

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BUSH: What we've done is to support Arab states that want to stand up against international terror. Quite different. We believe in supporting, without jeopardizing the security of Israel in any way, because they are our one strategic ally in the area. They are the one democracy in the area, and our relations with them has never been better. But we do believe in reaching out to what they call the GCC, those Gulf Cooperative Council states, those moderate Arab states in the world, and helping them with defensive weapons to guard against international terror or radical Islam perpetuated by Khomeini. And because we've done that, and because the Saudis chopped a couple of those intruding airplanes a while back, I think we have helped keep the peace in the Persian Gulf.

Congresswoman Ferraro, you and former Vice President Mondale have criticized the president over the bombings in Lebanon. Well, what would you do to prevent such attacks?

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2.

Well, last month we had our third bombing. The first time, the first embassy, there was no gate up. The second time, with our Marines, the gate was open. The third time, the gate was there but it had not been installed.

And what was the president's reaction? Well, the security arrangements were not in. Our people were placed in that embassy in an unsecured time. And the Marines who were guarding it were left to go away, and there were other people guarding the embassy. Again, the president said, "I assume responsibility."

I'd like to know what that means. Are we going to take proper precautions before we put Americans in situations where they're in danger? Or are we just going to walk away, throwing our arms up in the air now, quite a reversal from the first time and from the first time when he said he was going to do something, or is this president going to take some action?

Some Democrats cringe at the words "spying" and "covert activity." Do you believe both of them have a legitimate role in countering terrorist activity around the world?

FERRARO: I think they have a legitimate role in gathering information, and what had happened was, the CIA in the last bombing had given information to our administration with reference to the actual threats that that embassy was going to be bombed. So it wasn't the CIA that was at fault. There's a legitimate reason for the CIA to be in existence, and that's to gather intelligence information for our security. But when I see the CIA doing things like they're doing down in Central America, supporting a covert war, no, I don't support that kind of activity. The CIA is there to protect our government, not there to subvert other governments.

USE OF MILITARY FORCE

Congresswoman Ferraro, you've repeatedly said that you would not want your son to die in an undeclared war for an uncertain cause. But recently your running mate, Mr. Mondale, has suggested that it may become necessary to erect a military quarantine or blockade of Nicaragua. Under what circumstances would you advocate the use of military force, American combat forces, in Central America?

FERRARO: I would advocate the use of force when it was necessary to protect the security of our country, protect our security interests, or protect our people or protect the interests of our friends and neighbors. When President—well, I'm jumping the gun a bit, aren't I?—when Mr. Mondale referred to the quarantine of Central America, a country in Central America, what he's referring to was a last resort, after all other means of attempting to settle the situation down in that region of the world had been exhausted.

Quite frankly, now what is being done by this administration is an Americanizing of a regional conflict and a

moving in militarily instead of promoting the Contadora process, which, as you know, is the process that is in place with the support of Mexico and Colombia and Panama and Venezuela. Instead of supporting the process, our administration has in Nicaragua been supporting "covert activities to keep that revolution going in order to overthrow the Sandinista government; in El Salvador, is not pushing the head of government to move toward correction of the civil rights, human rights problems that existed there.

And now this administration seems almost befuddled by the fact that Nicaragua is moving to participate in the Contadora process, and El Salvador, through its president, [Jose Napoleon] Duarte, is reaching out to the guerrillas in order to negotiate a peace. What Fritz Mondale and I feel about the situation down there is, what you do is, you deal first through negotiation. Force is not a first resort but certainly a last resort in any instance.

VANOCUR: Follow-up please.

Many times in its history, the United States has gone to war in order to defend freedom in other lands. Does your answer mean that you would be willing to forgo the use of military force even if it meant the establishment of a Soviet-backed dictatorship so close to our own borders?

FERRARO: No, I think what we have to do is work with the government. I assume you are speaking about the government of Nicaragua, work with that government to achieve a pluralistic society. I mean they do have elections that are coming up on Nov. 4. I think we have to work with them to achieve a peaceful solution to bring about a pluralistic country. No, I'm not willing to live with a force that could be a danger to our country. Certainly I would see that our country would be there, putting all kinds of pressure on the neighboring countries of Honduras, of Costa Rica, of El Salvador to promote the kinds of society that we can all live with in security in this country.

Vice President Bush, both Cuba and Nicaragua are reported to be making extensive preparations to defend themselves against an American invasion which they claim could come this fall and even some of your Democratic opponents in Congress have suggested that the administration may be planning a December surprise invasion. Can you tell us what circumstances a re-elected Reagan administration would consider use of force in Central America or the Caribbean?

BUSH: We don't think we'll be required to use force. Let me point out that there are 2,000 Cuban military and 7,500 so-called Cuban advisers in Nicaragua. There are 55 American military in El Salvador. I went down on the instructions of the president to speak to the commandantes in El Salvador and told them that they had to move with Mr. [Alvaro] Magana, then the president of El Salvador, to respect human rights. They have done that. They're moving well. I'm not saying it's perfect, but the difference between El Salvador and Nicaragua

i. El Salvador went to the polls. Mr. Duarte was elected by 70 percent of the people, in 70 percent of the voting, in a certifiably free election. In Nicaragua, you have something very different. You have a Marxist-Leninist group, the Sandinistas, that came into power, talking democracy. They have aborted their democracy. They have humiliated the Holy Father. They have cracked down on the only press organ there, La Prensa, censoring the press, something that should concern every American. They have not had any human rights

at all. They will not permit free elections. Mr. [Arturo] Cruz—who was to be the only viable challenger to Nicaragua, to the Sandinistas, to the junta, to Mr. [Daniel] Ortega—went down there and found that the ground rules were so unfair that he couldn't even wage a campaign.

One country is devoid of human rights. The other is struggling to perfect their democracy. We don't like it, frankly, when Nicaragua exports its revolution or serves as a conduit for supplies coming in from such democracies as North Korea, Bulgaria, the Soviet Union and Cuba to try to destabilize El Salvador. Yes, we're concerned about that, because we want to see this trend toward democracy continue. There have been something like 13 countries since we've come in move towards the democratic route.

And let me say that Grenada is not unrelated. And I have big difference with Ms. Ferraro on that one. We gave those four tiny Caribbean countries a chance. We saved the lives and most of those, the thousand students said that they were in jeopardy. Grenada was a proud moment, because we did stand up for democracy. But in terms of threat of these countries, nuclear, I mean, weapons, no, there's not that kind of a threat. It's Mr. Mondale that proposed the quarantine, not Ronald Reagan.

Considering this country's long respect for the rule of international law, was it right for the United States to be involved in mining the harbors of Nicaragua, a country we're not at war with, and to subsequently refuse to allow the World Court to adjudicate that dispute and the complaint from Nicaragua?

BUSH: I support what we're doing. It was reported to the Congress under the law. I support it. My only regret is that the aid for the contras, those people that are fighting, we call them freedom fighters. They want to see the democracy perfected in Nicaragua. Am I to understand from this assault on covert action that nowhere in the world would we do something that was considered just off-base when Mrs. Ferraro said she'd never support it? Would she never support it if the violation of human rights was so great and quiet support was necessary for freedom fighters? Yes, we're for the contras.

And let me tell you another fact about the contras. Everybody that's not for this, everyone that wants to let that Sandinista government prevail, just like Castro did, all of that, the contras are not Somoconistas. Less than 5 percent of the contras supported [Nicaragua's late dictator, Anastasio] Somoza. These were people that wanted a revolution. These are people that felt the revolution was betrayed. These are people that support human rights. Yes, we should support them.

VANOCUR: Congresswoman Ferraro.

FERRARO: I spent a good deal of time in Central America in January and had an opportunity to speak to the contras after being in Nicaragua and in El Salvador, and let me just say that the situation as it exists now because of this administration's policies, we're not getting better. We're not moving toward a more secure area of the world. As a matter of fact, the number of troops that the Sandinistas have accumulated since the administration started its covert activities has risen from 12,000 to 50,000. And, of course, the number of Soviet and Cuban advisers has also increased.

I did not support the mining of the harbors in Nicaragua. It is a violation of international law. Congress did not support it and, as a matter of fact, just this week the Congress voted to cut off covert aid to Nicaragua unless and until a request is made and there is evidence of need for it, and the Congress approves it again in March.

So the Congress doesn't get laid on. The covert activities which I oppose in Nicaragua, those CIA covert activities in that specific country, are not supported by the Congress, and believe it or not, are not supported by the majority of people throughout this country.

VANOCUR: Vice President Bush.

BUSH: Well, I would simply like to make the distinction again between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist route. Ortega, the commandant who's head of the Nicaraguan Sandinistas, is an avowed Marxist. They don't believe in the church, they don't believe in free elections, they don't believe in all the values that we believe in. So it is our policy to support the democracies there, and when you have freedom fighters that want to perfect that revolution and go the democratic route, we believe in giving them support. We are for democracy in the hemisphere. We are for negotiation. Three dollars out of every four that we've sent down there has been for economic aid to support the people's chance to eat and live and be happy and enjoy life. And one-fourth only was military. You wouldn't get that from listening to Mr. Mondale.

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12 October 1984

Both Camps Satisfied With Debate

By David S. Broder
Washington Post Staff Writer

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Ferraro, the three-term Democratic House member from Queens, N.Y., was the focus of public interest as the first woman on a national ticket, and she did nothing to embarrass herself or her party.

She stood toe-to-toe with the incumbent vice president in an emotional exchange on terrorism, telling him, "I almost resent . . . your patronizing attitude that you have to teach me about foreign policy."

With her characteristic fast-paced New York talk slowed to a comfortable gait, she delivered a closing statement defining patriotism in Democratic terms that attained a level of eloquence.

But Ferraro often had her head buried in her notes, both at the start of the debate and in the foreign policy section, and was guilty of obvious filibustering when asked how she and Mondale thought a nuclear freeze could be verified.

It seemed questionable to most observers whether Ferraro had done much to convince the doubters that she was qualified to be a heartbeat from the presidency. Former Carter administration aide Stuart Eizenstat said Ferraro "crossed the threshold of credibility," but Reagan campaign pollster Richard B. Wirthlin said he saw "nothing that will move the six out of 10 people [in surveys] who think she was chosen only because she was a woman."

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stump, Bush compromised his independent stature by turning himself into a Reagan cheerleader, performing verbal handsprings in his effort to whip up enthusiasm for "the leader of the free world."

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At the minimum, he appeared to have avoided the kind of upstaging by Ferraro that Reagan suffered at Mondale's hands in Louisville. Such an event would not only have compounded Republican problems in holding the lead in the election but clouded Bush's chances of gaining the presidential nomination in 1988.

Still, he must have come away with greater respect for Ferraro as an opponent, because the one time he attempted to challenge her directly, she slapped him down.

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Ferraro rebuked him sharply for his "patronizing attitude" and, with genuine anger, told him, "Please do not categorize my answers." She denied strongly that there was any implication of "shame" for the casualties, and generally left Bush eager for the topic to change—which it did before he had to reply.

If that was Ferraro's best moment, there were many awkward ones for her. She seemed halting in her explanation of the Mondale approach to arms control, and less than confident in the economic statistics that appeared to be inscribed in her notebook.

Predictably, the final 45 minutes on foreign policy played to Bush's strength, as the former ambassador and CIA director displayed his knowledge of Central American, Mideast and arms-control issues. Ferraro fared well in laying out broad Democratic disagreements but sagged visibly on several occasions when she attempted to spell out the details of that policy.

The subject matter of the debate's domestic section kept her more on the defensive than her running mate had been in Louisville. She and Bush had to discuss their income tax and financial disclosure policies and their views on religion. But Bush was more aggressive on the first topic than she was and managed to shift the subject of religion into a chance to remind viewers that Reagan had appointed the first woman Supreme Court justice.

Though he came here burdened by a reputation as verbally slow-footed, Bush found the words that eluded Reagan on Sunday and delivered a thematic closing statement contrasting the "hope and opportunity" of Reagan's leadership with the "weakness and failed policies" of the Democratic past.

Ferraro found her way to basic Democratic themes of economic fairness and disarmament in her well-rehearsed closing statement, but she missed some other targets her aides had laid out. The subject of Social Security, where Mondale had put Reagan totally on the defensive, did not cross her lips; the deficit issue was also brushed aside.

But both managed to do basically what they had set out to do. Ferraro managed to hold the stage with Bush and, to that extent at least, show that she was not out of her league. And Bush managed to be firm and aggressive without ever beating up on the lady.

With that result, chances are that the spotlight will shift quickly back to Mondale and Reagan.

Staff writers Lou Cannon and James R. Dickenson contributed to this report.

ARTICLE APPEARED
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12 October 1984

Bush, Ferraro spar on taxes, foreign policy

By Ernest B. Furgurson
Chief of The Sun's Washington Bureau

WASHINGTON — Vice President Bush and Representative Geraldine A. Ferraro flared at each other last night as they defended their running mates in an 85-minute debate that covered issues across the range of foreign and domestic policy.

Their historic confrontation was the first national election debate in which a woman has taken part, and Ms. Ferraro exchanged charges and countercharges with the more experienced vice president on questions ranging from Lebanon, El Salvador and arms control to abortion, religion and the two candidates' own tax problems.

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Repeatedly, Mr. Bush mentioned his experience as CIA director, ambassador to China and in other positions to draw a contrast with Ms. Ferraro's briefer public career.

As the debate turned to foreign policy, the questioning focused quickly on the loss of American lives in three terrorist bombings in Beirut within 17 months. Who was responsible?

Mr. Bush said he didn't think "you can go assigning blame." Citing the difficulty of combatting international terrorism, he said a steady campaign for improved security must continue. The solution, he declared, rests ultimately in solving deeper problems, such as the fate of Palestinians, that inspire terrorism.

Without directly accusing the president of responsibility for the losses to terrorism, Ms. Ferraro nonetheless recalled each of the three fatal episodes, citing security failures in each case. "Are we going to take proper precautions?" she demanded. "... Is this president going

to take some action?"

The two candidates differed over the proper use of covert activity to support friendly forces abroad, specifically in Central America. Ms. Ferraro said she supported with an intelligence-gathering role for the Central Intelligence Agency. But she did not endorse, she declared, support for "a covert war" in Central America or "trying to overthrow governments."

Mr. Bush went on the attack. Ms. Ferraro, he claimed, proposed to do away with covert action, and that "is serious business." He offered to "help" her by explaining the difference between the situation of the American hostages in Iran and the bombing in Beirut and ended by accusing her of suggesting that the U.S. marines who were killed in Lebanon "died in shame."

Ms. Ferraro responded with one of the few flashes of anger shown during the debate. "I almost resent your patronizing attitude," she retorted, "... that you have to teach me about foreign policy." She had seen what happened in Lebanon, she said, and no one had suggested the marines died in shame. "No parent would ever say that."

Her opposition to covert action, she said, applied to the one circumstance under debate, the situation in Nicaragua. Otherwise, she left the door open to covert action — and to the use of force generally — if necessary to the national defense or to fulfill commitments to friends and allies.

The administration appears "befuddled," she said, now that the leftist government of Nicaragua and the U.S.-supported government of El Salvador are both making conciliatory gestures. The United States should "work with" Nicaragua to "achieve a pluralistic society," she argued, but she was "not willing to live with a force that could be a danger to our country."

Mr. Bush briskly defended American policy in the region, including U.S. support for anti-government guerrillas in Nicaragua. The difference between leftist controls in Nicaragua and democratic reforms in El Salvador, he said, "is the difference between night and day." He personally had told Salvadoran leaders that they had to make reforms, he said, "and they did."

Ms. Ferraro and Mr. Bush argued at length over responsibility for the absence of arms control agreements and Soviet-American exchanges during the Reagan administration. Mr. Bush said the Soviets had walked out in the face of many reasonable U.S. proposals.

Citing the recent visit of Soviet Foreign Minister Andrei A. Gromyko to Washington, he said Moscow would negotiate seriously if it knew a firm President — Mr. Reagan — would be in the White House. One impediment to serious discussions, he argued, was that the Soviets had changed leaders three times during Mr. Reagan's term.

But Ms. Ferraro argued that administration proposals had not been forthcoming. Mr. Mondale, she reminded the audience, has endorsed regular U.S.-Soviet exchanges and early initiatives for a "mutual, verifiable" freeze on nuclear weaponry. At one point she appeared unsure to what precisely a freeze would apply.

But while she advocated negotiations, she said she would deal firmly with the Soviets as necessary. If they should attack, she declared, they would be met with "swift, concise and certain retaliation."

The administration's central claim in foreign policy, Mr. Bush said, was that it had restored American strength. He passed up a chance to ask a summary question to Ms. Ferraro, explaining that differences between the two presidential tickets were so great that "the American people will have a clear choice."

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Bush, Ferraro Clash in Debate

Vice-Presidential Contenders Divide Sharply Over President

By Rick Atkinson and Dale Russakoff
Washington Post Staff Writers

PHILADELPHIA, Oct. 11—Vice President Bush and Geraldine A. Ferraro clashed here tonight in a debate in which Bush called President Reagan a force for peace and prosperity while Ferraro charged that his policies were dangerous and insensitive.

In only the second such vice-presidential face-off in U.S. history, the two sharply disputed issues ranging from arms control and the economy to abortion and civil rights. At the same time, both were forced to answer anew questions about their personal finances, a topic that has plagued both campaigns.

Both sides approached the encounter with the idea that it could have an important effect on the Democratic momentum that developed with Walter F. Mondale's performance against Reagan in the first presidential debate last Sunday.

The sharp differences articulated by the Italian immigrant's daughter and the son of a patrician New England senator were most evident in their statements closing their 90-minute match-up.

"It's the clearest choice in some 50 years," Bush said. "The choice is to move forward with strength and prosperity, or do we go back to weakness and despair?"

But Ferraro pleaded for a return to "the values of fairness and equal opportunity" and vowed in the debate's final line, "This campaign is not over. For our country, for our future, for the principles we believe in, Walter Mondale and I have just begun to fight."

The most combative exchange came in their discussion of foreign policy, when Ferraro turned to Bush at one point and rebuked him for misrepresenting her views and being "patronizing."

"Leave the interpretation to the American people watching this debate," she chided, after Bush suggested that she was opposed to all covert intelligence activities.

As they have throughout the campaign, the themes of religion and politics were mingled again tonight. Ferraro, a Roman Catholic who has tangled with members of the church hierarchy over her views on abortion, again pledged that she would resign from office if she were unable to reconcile her religion with her constitutional duties.

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The panelists for the debate, which was sponsored by the League of Women Voters and held in the Civic Center, were Robert Boyd of Knight-Ridder, John Mashek of U.S. News & World Report, Norma Quarles of NBC News and Jack White of Time magazine. Sander Vanocur of ABC News was the moderator.

It was clear from the outset that both candidates arrived with agendas in mind, and neither appeared inclined to allow the questions to divert them. Bush used every opportunity to praise the Reagan administration's record and to chastise what he called "those liberals in that House."

For her part, Ferraro brushed past a question about Bush's extensive government service to expound on her favorite campaign message, that the Reagan administration is insensitive to those who have not shared in the economic recovery.

Even the styles of the two candidates were sharply different. Like the former prosecutor she is, Ferraro constantly scribbled notes and referred to them repeatedly, shaking her pen for emphasis.

Bush kept his eye on the camera and occasionally uncorked prepared one-liners, as when he said of Mondale, "If somebody sees a silver lining, he finds a big black cloud out there. Whine on harvest moon."

The vice president's strongest moments appeared to come when he capitalized on his diplomatic and intelligence experience in defending the administration's policies abroad. For example, he offered a detailed explanation of the distinction between the internal workings of the Marxist regime in Nicaragua and the newly elected moderate government in El Salvador after Ferraro denounced Reagan's covert war against the Sandinistas.

Ferraro, however, pointed out that she also has traveled to Central America and that Reagan's policies have not prevented a fourfold buildup in the Sandinista army.

"This administration has spent a trillion dollars on defense but it hasn't gotten a trillion dollars in national security," she added.

When asked about her relative inexperience after only six years in Congress, Ferraro noted that she also had worked as a teacher and prosecutor and quipped, "I wasn't born at the age of 43 when I entered Congress." She also said, "I level with people. I approach problems analytically."

The contrast between the two parties' views of the federal government's role emerged clearly as the two candidates debated domestic policy. Bush argued that economic recovery was the tonic to cure most social ills, while Ferraro slammed the administration for cutting school aid and disability aid while retreating from affirmative action.

"Is it a civil right to have [inflation] going off the chart so you're hurting every American family?" Bush asked. "I'm not suggesting there's not poverty," he continued. "The way to work out of poverty . . . is through real opportunity."

Ferraro questioned the breadth of the economic recovery, however, by drawing repeatedly on her campaign-trail encounters with the jobless or those threatened by toxic waste. She also charged Bush with distortions in contending that Reagan had brought a new prosperity to the country and said that 4 million more jobs were created during the Carter administration than in the last four years.

"People in Johnstown, Pennsylvania, are not terribly thrilled about what's happening in the economy," she said, citing a campaign stop in which she viewed a steel mill nearly idled by foreign competition.

As the debate opened, Bush was asked whether he would follow Reagan's policies if called upon to assume the presidency, given their past differences.

"I don't think there's a great deal of difference between my ideas and the president's," Bush replied.

He quickly shifted away from the question to praise Reagan about the economy: "This president turned it around, and I was with him every step of the way."

When pressed further on his differences, Bush declared, "I owe my president my judgment, and then I owe him my loyalty." He pointed

cut that Ferraro has disagreed with Walter F. Mondale on some issues.

Ferraro, asked to compare her six years in Congress with Bush's extensive experience as ambassador, congressman and CIA director, replied, "It is not only what's on your resume that makes you qualified." She noted that she also had worked as a teacher and assistant prosecutor in Queens.

Ferraro then turned the question into an attack on Reagan's policies, recalling that Bush had coined the phrase "voodoo economics" during the 1980 primary campaign to describe Reagan's policies.

"It was, and it is," Ferraro said.

Questioned about civil rights, Ferraro delivered a harsh attack on what she called the "failures of this administration" and "those very terribly unfair cuts for poor people in this country."

"There is a real difference between how the Mondale-Ferraro administration will address civil rights and the failures of this administration," she said, reciting the administration's support of tax breaks for segregated colleges and its opposition in the Grove City (Pa.) College case to equal funding for women's programs in colleges receiving federal funds.

Bush denied that the Reagan administration had cut funding for the poor, saying spending on food stamps and welfare had increased. He previously has acknowledged that these increases result largely from a rise in the number of people below the poverty line.

"We have some problems in attracting the black voter, and I think our record deserves better," Bush said. He cited support for black colleges, enterprise zones and a lowered minimum wage that he said would help black youth.

On the issue of separation of church and state, Bush and Ferraro agreed in principle but clashed on some particulars.

Bush repeated the administration's support for prayer in public schools, while Ferraro argued that our "country is founded on the principle that the government should be neutral" on religious issues.

When Ferraro charged that the Rev. Jerry Falwell, leader of the Moral Majority, has promised to

pick the next two Supreme Court justices to fill any vacancies arising in a second Reagan administration, Bush called it a "canard" and "slander against the president." He noted that Reagan's only appointment to the high court has been that of Sandra Day O'Connor.

Bush and Ferraro defended their complex finances, which have been the subject of controversy. Ferraro drew laughter when she said she had hired a "marvelous accountant [who] will be doing my taxes for the next eight years"—presumably for her two terms as vice president.

Ferraro said she had urged the House ethics committee to move swiftly to investigate her claim to an exemption from disclosing income from a firm in which she is a partner with her husband. She said that during the controversy over this claim, "I filed more financial information than any candidate in the history of this country."

Bush, whose payment of less than 13 percent of his income in federal taxes last year has stirred comment, also said he has made the greatest financial disclosure of any vice president.

Bush said Mondale made a "cheap shot" in criticizing his federal tax rate. He said he paid 42 percent of his gross income in state, local and federal taxes. He presumably was referring to the entire three-year period for which he recently released figures.

In the sharpest exchange between the two candidates, Ferraro turned to Bush and said in a frosty tone, "I almost resent, Vice President Bush, your patronizing attitude that you have to teach me about foreign policy."

Bush had suggested that Ferraro's opposition to covert CIA operations in Central America meant that she was inclined to abolish all such operations. He also implied that she did not understand the difference between terrorism in Beirut and the hostage crisis in Iran.

Following up her rebuke, Ferraro added, "Please don't categorize my answers either. Leave the interpretation to the American people watching this debate."

She said there is a "legitimate" role for covert operations by the U.S. government.

The two differed sharply on the

diplomatic ends in Central America.

Bush forcefully defended the Grenada invasion and the "covert war" against the Sandinista government in Nicaragua. Citing his extensive dealings with officials in Central America, he suggested that Ferraro was naive to criticize the policies.

"There is a distinction between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist-Leninist route," he said.

Ferraro said the Reagan administration "is Americanizing a regional conflict in Central America," adding, "Fritz Mondale and I feel you do deal first through negotiation, that force is not a first resort but certainly a last resort in any instance."

As they have on the campaign trail, Bush and Ferraro disagreed sharply on the issue of arms control. Ferraro charged Reagan with opposing every arms-control agreement "that every other president has negotiated."

Bush noted that the Soviet Union has had three heads of state during Reagan's term. Despite what he described as solid American proposals on intercontinental and intermediate-range nuclear missiles, "the Soviets have not been willing to talk," Bush said.

Ferraro said that being a woman would not interfere with her effectiveness as commander in chief.

"Are you saying that I would have had to have fought in a war in order to love peace?" she asked in response to a question. "It's about as valid to say that you have to be black in order to despise racism, that you have to be female in order to despise sexism."

She pledged to move to reduce the arms race, which she accused the Reagan administration of escalating, and said: "I think when we take a look at the failures of this administration, that would be No. 1."

2

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to take some action?"

The two candidates differed over the proper use of covert activity to support friendly forces abroad, specifically in Central America. Ms. Ferraro said she supported with an intelligence-gathering role for the Central Intelligence Agency. But she did not endorse, she declared, support for "a covert war" in Central America or "trying to overthrow governments."

Mr. Bush went on the attack. Ms. Ferraro, he claimed, proposed to do away with covert action, and that "is serious business." He offered to "help" her by explaining the difference between the situation of the American hostages in Iran and the bombing in Beirut and ended by accusing her of suggesting that the U.S. marines who were killed in Lebanon "died in shame."

Ms. Ferraro responded with one of the few flashes of anger shown during the debate. "I almost resent your patronizing attitude," she retorted, "... that you have to teach me about foreign policy." She had seen what happened in Lebanon, she said, and no one had suggested the marines died in shame. "No parent would ever say that."

Her opposition to covert action, she said, applied to the one circumstance under debate, the situation in Nicaragua. Otherwise, she left the door open to covert action — and to the use of force generally — if necessary to the national defense or to fulfill commitments to friends and allies.

The administration appears "befuddled," she said, now that the leftist government of Nicaragua and the U.S.-supported government of El Salvador are both making conciliatory gestures. The United States should "work with" Nicaragua to "achieve a pluralistic society," she argued, but she was "not willing to live with a force that could be a danger to our country."

Mr. Bush briskly defended American policy in the region, including U.S. support for anti-government guerrillas in Nicaragua. The difference between leftist controls in Nicaragua and democratic reforms in El Salvador, he said, "is the difference between night and day." He personally had told Salvadoran leaders that they had to make reforms, he said, "and they did."

Ms. Ferraro and Mr. Bush argued at length over responsibility for the absence of arms control agreements and Soviet-American exchanges during the Reagan administration. Mr. Bush said the Soviets had walked out in the face of many reasonable U.S. proposals.

Citing the recent visit of Soviet Foreign Minister Andrei A. Gromyko to Washington, he said Moscow would negotiate seriously if it knew a firm President — Mr. Reagan — would be in the White House. One impediment to serious discussions, he argued, was that the Soviets had changed leaders three times during Mr. Reagan's term.

But Ms. Ferraro argued that administration proposals had not been forthcoming. Mr. Mondale, she reminded the audience, has endorsed regular U.S.-Soviet exchanges and early initiatives for a "mutual, verifiable" freeze on nuclear weaponry. At one point she appeared unsure to what precisely a freeze would apply.

But while she advocated negotiations, she said she would deal firmly with the Soviets as necessary. If they should attack, she declared, they would be met with "swift, concise and certain retaliation."

The administration's central claim in foreign policy, Mr. Bush said, was that it had restored American strength. He passed up a chance to ask a summary question to Ms. Ferraro, explaining that differences between the two presidential tickets were so great that "the American people will have a clear choice."

* * * * *

EXCERPTED

2
ARTICLE ATTACHED
ON PAGE A-1

WASHINGTON POST
12 October 1984

Both Camps Satisfied With Debate

By David S. Broder
Washington Post Staff Writer

A PHILADELPHIA, Oct. 11—George Bush scored steadily against the Democratic opposition, while Geraldine A. Ferraro started out shaky and finished strong in the televised debate here tonight between the vice-presidential rivals.

Both camps expressed satisfaction with their contenders' performance, but neither thought the debate by itself would have a major impact on the race.

Democrats had hoped that a powerful performance by Ferraro would produce further gains, after Walter F. Mondale's besting of President Reagan in the Louisville debate last Sunday night, but Bush—in the estimates of both parties—more than held his own.

Ferraro, the three-term Democratic House member from Queens, N.Y., was the focus of public interest as the first woman on a national ticket, and she did nothing to embarrass herself or her party.

She stood toe-to-toe with the incumbent vice president in an emotional exchange on terrorism, telling him, "I almost resent . . . your patronizing attitude that you have to teach me about foreign policy."

With her characteristic fast-paced New York talk slowed to a comfortable gait, she delivered a closing statement defining patriotism in Democratic terms that attained a level of eloquence.

But Ferraro often had her head buried in her notes, both at the start of the debate and in the foreign policy section, and was guilty of obvious filibustering when asked how she and Mondale thought a nuclear freeze could be verified.

It seemed questionable to most observers whether Ferraro had done much to convince the doubters that she was qualified to be a heartbeat from the presidency. Former Carter administration aide Stuart Eizenstat said Ferraro "crossed the threshold of credibility," but Reagan campaign pollster Richard B. Wirthlin said he saw "nothing that will move the six out of 10 people [in surveys] who think she was chosen only because she was a woman."

Bush spoke directly to the television audience from beginning to end of the debate, seeming to need no prompting from his notes. For the most part, he brushed Ferraro aside, while taking the case directly—and aggressively—to Mondale.

But as he often does on the

stump, Bush compromised his independent stature by turning himself into a Reagan cheerleader, performing verbal handsprings in his effort to whip up enthusiasm for "the leader of the free world."

But his assurance grew as his decibel level diminished during the course of the debate, and the impression of viewers here was that people who knew nothing of the resumes of the two debaters would have had no difficulty judging Bush the more experienced.

At the minimum, he appeared to have avoided the kind of upstaging by Ferraro that Reagan suffered at Mondale's hands in Louisville. Such an event would not only have compounded Republican problems in holding the lead in the election but clouded Bush's chances of gaining the presidential nomination in 1988.

Still, he must have come away with greater respect for Ferraro as an opponent, because the one time he attempted to challenge her directly, she slapped him down.

It came in a discussion on terrorism and the CIA. Bush criticized her for seeming to "do away with all covert activity" by the CIA and offered to "help you [Ferraro]" understand the difference between the Iranian and Lebanese situations. He also said the Democrats had better not tell the families of the Marines who died in Lebanon that they had "died in shame."

Ferraro rebuked him sharply for his "patronizing attitude" and, with genuine anger, told him, "Please do not categorize my answers." She denied strongly that there was any implication of "shame" for the casualties, and generally left Bush eager for the topic to change—which it did before he had to reply.

If that was Ferraro's best moment, there were many awkward ones for her. She seemed halting in her explanation of the Mondale approach to arms control, and less than confident in the economic statistics that appeared to be inscribed in her notebook.

Predictably, the final 45 minutes on foreign policy played to Bush's strength, as the former ambassador and CIA director displayed his knowledge of Central American, Mideast and arms-control issues. Ferraro fared well in laying out broad Democratic disagreements but sagged visibly on several occasions when she attempted to spell out the details of that policy.

The subject matter of the debate's domestic section kept her more on the defensive than her running mate had been in Louisville. She and Bush had to discuss their income tax and financial disclosure policies and their views on religion. But Bush was more aggressive on the first topic than she was and managed to shift the subject of religion into a chance to remind viewers that Reagan had appointed the first woman Supreme Court justice.

Though he came here burdened by a reputation as verbally slow-footed, Bush found the words that eluded Reagan on Sunday and delivered a thematic closing statement contrasting the "hope and opportunity" of Reagan's leadership with the "weakness and failed policies" of the Democratic past.

Ferraro found her way to basic Democratic themes of economic fairness and disarmament in her well-rehearsed closing statement, but she missed some other targets her aides had laid out. The subject of Social Security, where Mondale had put Reagan totally on the defensive, did not cross her lips; the deficit issue was also brushed aside.

But both managed to do basically what they had set out to do. Ferraro managed to hold the stage with Bush and, to that extent at least, show that she was not out of her league. And Bush managed to be firm and aggressive without ever beating up on the lady.

With that result, chances are that the spotlight will shift quickly back to Mondale and Reagan.

Staff writers Lou Cannon and James R. Dickenson contributed to this report.

ARTICLE APPEARED
ON PAGE C-1

WASHINGTON POST
26 October 1984

Bush's Battle Cry

In the Last Laps, Boosting the Ticket and Coping With Ferraro

By Myra MacPherson
Washington Post Staff Writer

"The United States of America," in huge blue letters, runs the length of sleek white Air Force Two. Inside, Vice President George Bush sips tea. With his dark striped suit and shirt and tie, Bush is also wearing a plaid lumberjack shirt. His bracing campaign morning had begun with chitchat with Minnesota farmers sitting on bales of hay and that relic of campaign photo opportunities—milking a cow. It's all in the bag, all over except the voting, is the Bush message—delivered, characteristically, with unrelenting enthusiasm across the nation.

EXCERPTED

'Contras'

Everywhere, the question of the week was Central America and the CIA primer—dubbed the murder manual—written for the "contras" that recommends "selective violence" to "neutralize" Sandinista officials. It includes kidnaping, mob violence and selective public execution. It is now being investigated. Bush responds at press conferences that he "hasn't read the manual and won't comment on it." Pressed as to the definition of "neutralize," the former CIA director said, "It could mean various things. I don't think there is a special intelligence or counter-intelligence or covert action definition of it."

His testy tone during the press conference was gone as he relaxed on the plane. Bush is asked about the "contras." Edgar Chamorro, a leader of the CIA-backed rebels, has said, "We do believe in the assassination of tyrants. Frankly, I do admit we have killed people in cold blood." Where is the American responsibility if the "contras" subscribe to assassinations and the United States finances their activities?

"I don't think there is any moral justification for killing and yet it

takes place in this kind of thing," Bush says. "It takes place when the woman they wanted to send up as ambassador from Nicaragua is implicated in the mutilation and killing of an officer who had been a part of Somoza's regime. Regrettably, these things take place. We've seen it with 'contra' action, we've seen it with the Sandinista action."

Is he saying it's inevitable, and all right, for the United States to back them? "When you're in a wartime environment of that nature there's regrettably going to be killing and, I'm afraid, the loss of innocent life."

Does he think Operation Phoenix—a program to destroy the Viet Cong infrastructure that included assassination—was justifiable? Says Bush, "I don't remember enough of that. From the pure moral sense, you have to conclude it is not moral, but we're living in a world in which all sides are engaged in it."

He puts a positive face on Central America. "Frankly, there is a major change that a lot of people have not analyzed yet. There is much more understanding in the world about the Sandinistas' intention and I think Salvador, under Duarte, is on the right track."

UNITED PRESS INTERNATIONAL
23 October 1984*FILE ONLY*

BUSH
NORMAN D. SANDLER.
COLOGNE, MINN.

Vice President George Bush, trading pinstripes for plaid, tried his hand at milking a cow today and told farmers the cure to their economic ills rests in the Reagan recovery and not the promises of their fellow Minnesotan, Walter Mondale.

Setting out at dawn on the second day of a five-state swing through the Midwest, Bush cut a telegenic campaign path through what is regarded only marginally as Mondale country despite the Democratic nominee's native son status.

Seated on a bale of hay in a work shed at the 160-acre Dale Molnau farm west of Minneapolis, Bush offered broad responses to questions that covered the gamut from high interest rates, big deficits and the strong dollar to why the government has not done more to promote the conversion of corn into alcohol fuel.

He was non-committal when pressed by Kathy Graf of Watertown, Minn., for bigger subsidies and tax exemptions to encourage the production of alcohol fuels from corn. The administration has opposed such measures in the past.

Pausing at times to sip from a carton of milk, Bush asked the 60 farmers seated before him to put their faith in President Reagan, contending Mondale would return to policies that gave them higher interest rates, high inflation and an unpopular grain embargo.

When told agriculture is in the throes of "a depression," Bush asked for more time for the recovery to reach all sectors of the economy and for continued growth to bring the deficit under control.

Alluding to Mondale's proposal for higher taxes, Bush said: "Our plan is quite different from our opponent's. Our plan is keep the recovery going."

A weekend poll in Mondale's backyard showed the Democratic nominee leading by six percentage points, up from an insignificant single-point lead in August.

Bush, a Connecticut Yankee-turned-Texan, kneeled down to milk a cow, succeeded on his first two attempts and announced, "That's it," before heading on to pose for pictures in a field. He later flew on to campaign stops in Wisconsin and Michigan, trying to build on momentum from Reagan's strong showing in Sunday's debate with Mondale.

CONTINUED

On Monday, the former CIA director got entangled in confusion of his own making, stumbling on a flap over a handbook for Nicaraguan rebels on political assassination that has embroiled the agency he once led.

Speaking with a television reporter in Missouri, Bush appeared to blame the magazine Counterspy, a self-styled intelligence community watchdog that has divulged the names of CIA agents and details of covert operations abroad, for the disclosure.

"This manual was given out by a thing called Counterspy," Bush said. "Counterspy, I understand, is a magazine that has had identification with (renegade former CIA agent Philip) Agee."

Agee has contributed to Counterspy, but its editors denied any involvement with the CIA primer. Bush, through a spokesman, cited a Washington Post story as corroboration of his allegation, though the report was found to concern not the CIA manual, but a July 1982 Defense Intelligence Agency report dealing with similar issues.

Spokesman Peter Teeley said Bush had been referring to the DIA report, which had been released by Counterspy to reporters, in his earlier comments. Bush, in a television interview, later admitted, "I misstated this morning."

"I don't know how it got out," he said of the CIA manual.

The episode was the latest in a string that has prompted Bush to curtail his contacts with reporters and forced his aides to spend more time than they desire on damage control.

Last month, Bush was haunted for almost a week by conflicting accounts of his position on abortion, which has changed since he became Reagan's vice president.

While campaigning in California last week, he was hounded by Democrats for an apology -- or proof -- for his remark that Mondale and Ferraro had said the American servicemen killed in Lebanon had "died in shame."

Bush also has been accused of misstating Mondale's positions on Medicare and major weapons systems and came under close scrutiny last week for his version of how and why 500,000 people were dropped from Social Security disability rolls under Reagan.

A-16

WASHINGTON POST
12 October 1984

TEXT OF THE BUSH-FERRARO DEBATE

SECURITY PROBLEMS

A Vice President Bush, since your administration came to power, the president has threatened a stern response against terrorism. Yet, murderous attacks have continued in Lebanon and the Middle East. Who's to blame and—you've been director of the Central Intelligence Agency—what can be done to stop it?

BUSH: Terrorism is very, very difficult to stop. And I think everybody knows that. We had ambassadors killed in Sudan and Lebanon some time ago, a long time ago. When you see the Israeli building in Lebanon after the death of our Marines, you see that hit by terrorism—the Israelis, with all their experience, fighting terrorism—you know it's difficult. When you see [Ayatollah Ruhollah] Khomeini, with his radical Islam, resorting to government-sponsored terrorism, it's very difficult.

The intelligence business can do a good job and I'm always one that defends the Central Intelligence Agency. I believe we ought to strengthen it and I believe we still have the best foreign intelligence business in the world. But it is very difficult to get the source information that you need to go after something as shadowy as international terror.

There was difference between Iran and what happened in Lebanon. In Iran, you had a government, holding a U.S. Embassy, the government sanctioning the takeover of that embassy by those students, the government negotiating with the United States government for their release. In Lebanon, in the terror that happened at the embassy, you have the government there, Mr. [Amin] Gemayel, that wants to help fight against terrorism. But because of the melee in the Middle East—it's there today and has been there yesterday and the day before, as anyone that's had experience in that area knows—it is a very different thing. So, what we've got to do is use absolutely the best security possible.

I don't think you can go assigning blame. The president, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens. But I think fair-minded people that really understand international terror, knows that it's very hard to guard against. And the answer, then, really lies in the Middle East—and terror is happening all over the world—is a solution to the Palestine question. The follow on the Camp David under the umbrella of the Reagan September of 1982 initiative. That will reduce terror. It won't eliminate it.

You mention Khomeini. Some Republicans charge the previous administration with being almost helpless against Khomeini and Libya's [Muammar] Qaddafi. Why hasn't your administration done something to take action against Arab states that foment this kind of terrorism?

BUSH: What we've done is to support Arab states that want to stand up against international terror. Quite different. We believe in supporting, without jeopardizing the security of Israel in any way, because they are our one strategic ally in the area. They are the one democracy in the area, and our relations with them has never been better. But we do believe in reaching out to what they call the GCC, those Gulf Cooperative Council states, those moderate Arab states in the world, and helping them with defensive weapons to guard against international terror or radical Islam perpetuated by Khomeini. And because we've done that, and because the Saudis chopped a couple of those intruding airplanes a while back, I think we have helped keep the peace in the Persian Gulf.

Congresswoman Ferraro, you and former Vice President Mondale have criticized the president over the bombings in Lebanon. Well, what would you do to prevent such attacks?

FERRARO: Let me first say that terrorism is a global problem, and let me say, secondly, that Mr. Bush has referred to the embassy that was held in Iran. Now I was at the White House in January, I guess it was, in 1981, when those hostages, all 52 of them, came home alive. It was at that time that President Reagan gave a speech welcoming them home, as America did. We were so excited to see them back.

But what he said was, the United States has been embarrassed for the last time, we're going to stand tall and if this ever happens again there's going to be swift and immediate steps taken to address the wrong that our country has . . . suffered.

In April of 1983 I was in Beirut and visited the ambassador at the embassy. Two weeks later, that embassy was bombed. At that time, take a look at the crazy activities of terrorists—you can't blame that on anybody, and they're going to do crazy things, and you just don't know what's going to happen.

The following October there was another bombing, and that bombing took place at the Marine barracks where there were 242 young men who were killed. Right after that bombing occurred, there was a commission set up, called the Long Commission, and that commission did a study of the security arrangements around where the Marines were sleeping and found that there was negligence, that they did not have proper gates up, proper precautions to stop those trucks from coming in. And so the Long Commission issued a report and President Reagan got up and he said, "I'm commander in chief. I take responsibility." And we all waited for something to be done when he took responsibility.

Continued

Well, last month we had our third bombing. The first time, the first embassy, there was no gate up. The second time, with our Marines, the gate was open. The third time, the gate was there but it had not been installed.

And what was the president's reaction? Well, the security arrangements were not in. Our people were placed in that embassy in an unsecured time. And the Marines who were guarding it were left to go away, and there were other people guarding the embassy. Again, the president said, "I assume responsibility."

I'd like to know what that means. Are we going to take proper precautions before we put Americans in situations where they're in danger? Or are we just going to walk away, throwing our arms up in the air now, quite a reversal from the first time and from the first time when he said he was going to do something, or is this president going to take some action?

Some Democrats cringe at the words "spying" and "covert activity." Do you believe both of them have a legitimate role in countering terrorist activity around the world?

FERRARO: I think they have a legitimate role in gathering information, and what had happened was, the CIA in the last bombing had given information to our administration with reference to the actual threats that that embassy was going to be bombed. So it wasn't the CIA that was at fault. There's a legitimate reason for the CIA to be in existence, and that's to gather intelligence information for our security. But when I see the CIA doing things like they're doing down in Central America, supporting a covert war, no, I don't support that kind of activity. The CIA is there to protect our government, not there to subvert other governments.

USE OF MILITARY FORCE

Congresswoman Ferraro, you've repeatedly said that you would not want your son to die in an undeclared war for an uncertain cause. But recently your running mate, Mr. Mondale, has suggested that it may become necessary to erect a military quarantine or blockade of Nicaragua. Under what circumstances would you advocate the use of military force, American combat forces, in Central America?

FERRARO: I would advocate the use of force when it was necessary to protect the security of our country, protect our security interests, or protect our people or protect the interests of our friends and neighbors. When President—well, I'm jumping the gun a bit, aren't I?—when Mr. Mondale referred to the quarantine of Central America, a country in Central America, what he's referring to was a last resort, after all other means of attempting to settle the situation down in that region of the world had been exhausted.

Quite frankly, now what is being done by this administration is an Americanizing of a regional conflict and a

moving in militarily instead of promoting the Contadora process, which, as you know, is the process that is in place with the support of Mexico and Colombia and Panama and Venezuela. Instead of supporting the process, our administration has in Nicaragua been supporting covert activities to keep that revolution going in order to overthrow the Sandinista government; in El Salvador, is not pushing the head of government to move toward correction of the civil rights, human rights problems that existed there.

And now this administration seems almost befuddled by the fact that Nicaragua is moving to participate in the Contadora process, and El Salvador, through its president, [Jose Napoleon] Duarte, is reaching out to the guerrillas in order to negotiate a peace. What Fritz Mondale and I feel about the situation down there is, what you do is, you deal first through negotiation. Force is not a first resort but certainly a last resort in any instance.

VANOCUR: Follow-up please.

Many times in its history, the United States has gone to war in order to defend freedom in other lands. Does your answer mean that you would be willing to forgo the use of military force even if it meant the establishment of a Soviet-backed dictatorship so close to our own borders?

FERRARO: No, I think what we have to do is work with the government. I assume you are speaking about the government of Nicaragua, work with that government to achieve a pluralistic society. I mean they do have elections that are coming up on Nov. 4. I think we have to work with them to achieve a peaceful solution to bring about a pluralistic country. No, I'm not willing to live with a force that could be a danger to our country. Certainly I would see that our country would be there, putting all kinds of pressure on the neighboring countries of Honduras, of Costa Rica, of El Salvador to promote the kinds of society that we can all live with in security in this country.

Vice President Bush, both Cuba and Nicaragua are reported to be making extensive preparations to defend themselves against an American invasion which they claim could come this fall and even some of your Democratic opponents in Congress have suggested that the administration may be planning a December surprise invasion. Can you tell us what circumstances a re-elected Reagan administration would consider use of force in Central America or the Caribbean?

BUSH: We don't think we'll be required to use force. Let me point out that there are 2,000 Cuban military and 7,500 so-called Cuban advisers in Nicaragua. There are 55 American military in El Salvador. I went down on the instructions of the president to speak to the commandantes in El Salvador and told them that they had to move with Mr. [Alvaro] Magana, then the president of El Salvador, to respect human rights. They have done that. They're moving well. I'm not saying it's perfect, but the difference between El Salvador and Nicaragua is like the difference between night and day.

i. El Salvador went to the polls. Mr. Duarte was elected by 70 percent of the people, in 70 percent of the voting, in a certifiably free election. In Nicaragua, you have something very different. You have a Marxist-Leninist group, the Sandinistas, that came into power, talking democracy. They have aborted their democracy. They have humiliated the Holy Father. They have cracked down on the only press organ there, La Prensa, censoring the press, something that should concern every American. They have not had any human rights

at all. They will not permit free elections. Mr. [Arturo] Cruz—who was to be the only viable challenger to Nicaragua, to the Sandinistas, to the junta, to Mr. [Daniel] Ortega—went down there and found that the ground rules were so unfair that he couldn't even wage a campaign.

One country is devoid of human rights. The other is struggling to perfect their democracy. We don't like it, frankly, when Nicaragua exports its revolution or serves as a conduit for supplies coming in from such democracies as North Korea, Bulgaria, the Soviet Union and Cuba to try to destabilize El Salvador. Yes, we're concerned about that, because we want to see this trend toward democracy continue. There have been something like 13 countries since we've come in move towards the democratic route.

And let me say that Grenada is not unrelated. And I have big difference with Ms. Ferraro on that one. We gave those four tiny Caribbean countries a chance. We saved the lives and most of those, the thousand students said that they were in jeopardy. Grenada was a proud moment, because we did stand up for democracy. But in terms of threat of these countries, nuclear, I mean, weapons, no, there's not that kind of a threat. It's Mr. Mondale that proposed the quarantine, not Ronald Reagan.

Considering this country's long respect for the rule of international law, was it right for the United States to be involved in mining the harbors of Nicaragua, a country we're not at war with, and to subsequently refuse to allow the World Court to adjudicate that dispute and the complaint from Nicaragua?

BUSH: I support what we're doing. It was reported to the Congress under the law. I support it. My only regret is that the aid for the contras, those people that are fighting, we call them freedom fighters. They want to see the democracy perfected in Nicaragua. Am I to understand from this assault on covert action that nowhere in the world would we do something that was considered just off-base when Mrs. Ferraro said she'd never support it? Would she never support it if the violation of human rights was so great and quiet support was necessary for freedom fighters? Yes, we're for the contras.

And let me tell you another fact about the contras. Everybody that's not for this, everyone that wants to let that Sandinista government prevail, just like Castro did, all of that, the contras are not Somocistas. Less than 5 percent of the contras supported [Nicaragua's late dictator, Anastasio] Somoza. These were people that wanted a revolution. These are people that felt the revolution was betrayed. These are people that support human rights. Yes, we should support them.

VANOCUR: Congresswoman Ferraro.

FERRARO: I spent a good deal of time in Central America in January and had an opportunity to speak to the contras after being in Nicaragua and in El Salvador, and let me just say that the situation as it exists now because of this administration's policies, we're not getting better. We're not moving toward a more secure area of the world. As a matter of fact, the number of troops that the Sandinistas have accumulated since the administration started its covert activities has risen from 12,000 to 50,000. And, of course, the number of Soviet and Cuban advisers has also increased.

I did not support the mining of the harbors in Nicaragua. It is a violation of international law. Congress did not support it and, as a matter of fact, just this week the Congress voted to cut off covert aid to Nicaragua unless and until a request is made and there is evidence of need for it, and the Congress approves it again in March.

So the Congress doesn't get laid on. The covert activities which I oppose in Nicaragua, those CIA covert activities in that specific country, are not supported by the Congress, and believe it or not, are not supported by the majority of people throughout this country.

VANOCUR: Vice President Bush.

BUSH: Well, I would simply like to make the distinction again between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist route. Ortega, the commandant who's head of the Nicaraguan Sandinistas, is an avowed Marxist. They don't believe in the church, they don't believe in free elections, they don't believe in all the values that we believe in. So it is our policy to support the democracies there, and when you have freedom fighters that want to perfect that revolution and go the democratic route, we believe in giving them support. We are for democracy in the hemisphere. We are for negotiation. Three dollars out of every four that we've sent down there has been for economic aid to support the people's chance to eat and live and be happy and enjoy life. And one-fourth only was military. You wouldn't get that from listening to Mr. Mondale.

Transcript of Philadelphia Debate Between Bush and Ferraro

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Coping With Terrorism

Q. Vice President Bush, since your Administration came to power the President has threatened a stern response against terrorism, yet murderous attacks have continued in Lebanon and the Middle East. Who's to blame, and you've been director of the Central Intelligence Agency. What can be done to stop it?

BUSH: Terrorism is very, very difficult to stop. And I think everybody knows that. We had ambassadors killed in Sudan and the Lebanon some time ago, a long time ago. When you see the Israeli building in Lebanon after the death of our marines you see that, hit by terrorism, the Israelis, with all their experience fighting terrorism, you know it's difficult. When you see Khomeini with his radical Islam resorting to government-sponsored terrorism, it's very difficult. The intelligence business can do a good job, and I'm always one that defends the Central Intelligence Agency. I believe we ought to strengthen it and I believe we still have the best foreign intelligence business in the world. But it is very difficult to get the source information that you need to go after something as shadowy as international terror.

There was a difference between Iran and what happened in Lebanon. In Iran you had a government holding a U.S. Embassy; the Government sanctioning the takeover of that embassy by those students; the government negotiating with the United States Government for their release. In Lebanon, in the terror that happened at the embassy, you have the government there, Mr. Gemayel, that wants to help fight against terrorism. But because of the melee in the Middle East, it's there today and has been there yesterday and the day before, and everyone that's had experience in that area knows, it is a very different thing. So what we've got to do is use absolutely the best security possible. I don't think you can go assigning blame. The President, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens. But I think fair-minded people that really understand international ter-

ror knows that it's very hard to guard against. And the answer then really lies in the Middle East and terrorism happening all over the world, is a solution to the Palestine question, the follow-on to Camp David under the umbrella of the Reagan September of 1982 initiative. That will reduce terror, it won't eliminate it.

Q. You mention Khomeini, some Republicans charge the previous Administration with being almost helpless against Khomeini and Libya's Quaddafi. Why hasn't your Administration done something to take action against Arab states that foment this kind of terrorism?

BUSH: What we've done is to support Arab states that want to stand up against international terror, quite different. We believe in supporting, without jeopardizing the security of Israel in any way, because they are our one strategically in the area, they are the one democracy in the area and our relations with them has never been better. But we do believe in reaching out to the, what they call the G.C.C., those Gulf Cooperative Council states, those moderate Arab states in that world, and helping them with defensive weapons to guard against international terror or radical Islam perpetuated by Khomeini. And because we've done that and because the Saudis chopped down a couple of those intruding airplanes a while back, I think we have helped keep the peace in the Persian Gulf.

Q: Congresswoman Ferraro, you and former Vice President Mondale have criticized the President over the bombings in Lebanon, but what would you do to prevent such attacks?

FERRARO: Let me first say that terrorism is a global problem, and let me say secondly that the — Mr. Bush has referred to the embassy that was held in Iran. Well, I was at the White House in January, I guess it was, in '81, when those hostages, all 52 of them, came home alive. It was at that time that President Reagan gave a speech welcoming them home — as America did, we were so excited to see them back. But what he said was: The United States has been embarrassed for the last time. We're going

to stand tall and if this ever happens again, there's going to be swift and immediate steps taken to address the wrong that our country has founded — has suffered.

In April of 1983 I was in Beirut and visited the ambassador at the embassy. Two weeks later, that embassy was bombed. At that time — take a look at the crazy activities of terrorists, you can't blame that on anybody. They're going to do crazy things and you just don't know what's going to happen. The following October, there was another bombing and that bombing took place at the Marine barracks, where there were 242 young men who were killed.

Study by Commission

Right after that bombing occurred, there was a commission set up called the Long Commission. That commission did a study of the security arrangements around where the Marines were sleeping and found that there was negligence, that they did not have proper gates up, proper precautions to stop those trucks from coming in. And so the Long Commission issued a report, and President Reagan got up and he said: I'm Commander in Chief, I take responsibility.

And we all waited for something to be done when he took responsibility. Well, last month we had our third bombing. The first time, the first embassy, there was no gate up. The second time, with our Marines, the gate was open. The third time, the gate was there but it had not been installed. And what was the President's reaction? Well, the security arrangements were not in, our people were placed in that embassy in an unsecured time, and the Marines who were guarding it were left to go away and there were other people guarding the embassy.

Again, the President said: I assume responsibility. I'd like to know what that means. Are we going to take proper precautions before we put Americans in situations where they're in danger, or are we just going to walk away, throwing our arms up in the air now — quite a re-

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versal from the first time, from the first time when he said he was going to do something? Or is this President going to take some action?

Q. Some Democrats cringe at the words "spying" and "covert activity." Do you believe both of them have a legitimate role in countering terrorist activity around the world.

FERRARO: I think they have a legitimate role in gathering information. And what had happened was the C.I.A., in the last bombing, had given information to our Administration with reference to the actual threats that that embassy was going to be bombed. So it wasn't the C.I.A. that was at fault. There's legitimate reason for the C.I.A. to be in existence, and that's to gather intelligence information for our security. But when I see the C.I.A. doing things like they're doing down in Central America — supporting a covert war — no, I don't support that kind of activity. The C.I.A. is there, it's meant to protect our government; not there to subvert other governments.

MODERATOR: Vice President Bush.

BUSH: Well, I'm surprised. I think I just heard Mrs. Ferraro say that she would do away with all covert actions, and if so, that has very serious ramifications, as the intelligence community knows. This is serious business. And sometimes it's quiet support for a friend, and so I'll leave that one there.

But let me help you with the difference, Mrs. Ferraro, between Iran and the Embassy in Lebanon. Iran — we were held by a foreign government. In Lebanon you had a wanton, terrorist action where the Government opposed it. We went to Lebanon to give peace a chance, to stop the bombing of civilians in Beirut, to remove 13,000 terrorists from Lebanon — and we did.

We saw the formation of a government of reconciliation and for somebody to suggest, as our two opponents have, that these men died in shame — they better not tell the parents of those young marines. They gave peace a chance. And our allies were with us — the British, the French and the Italians.

MODERATOR: Congresswoman Ferraro.

FERRARO: Let me just say, first of all, that I almost resent, Vice President Bush, your patronizing attitude that you have to teach me about foreign policy. I've been a member of Congress for six years; I was there when the Embassy was held hostage in Iran, and I have been there and I've seen what has happened in the past several months; 17 months of your Administration.

Secondly, please don't categorize my answers, either. Leave the interpretation of my answers to the American people who are watching this debate. And let me say further that no one has ever said that those young

men who were killed through the negligence of this Administration and others ever died in shame. No one who has a child who is 19 or 20 years old, a son, would ever say that at the loss of anybody else's child.

MODERATOR: Mr. White.

Q: Congresswoman Ferraro, you've repeatedly said that you would not want your son to die in an undeclared war for an uncertain cause. But recently your running mate, Mr. Mondale, has suggested that it may become necessary to erect a military quarantine or blockade of Nicaragua. Under what circumstances would you advocate the use of military force, American combat forces, in Central America?

FERRARO: I would advocate the use of force when it was necessary to protect the security of our country, protect our security interest or protect our people or protect the interests of our friends and neighbors. When President — I'm jumping the gun a bit, aren't I? — when Mr. Mondale, Mr. Mondale referred to the quarantine of Central America, a country in Central America, what he is referring to is a last resort after all other means of attempting to settle the situation down in that region of the world had been exhausted.

Quite frankly now what is being done by this Administration is an Americanizing of a regional conflict. They're moving in militarily instead of promoting the Contadora process, which, as you know, is the process that is in place with the support of Mexico and Colombia and Panama and Venezuela.

Instead of supporting the process, our Administration has in Nicaragua been supporting covert activities to keep that revolution going in order to overthrow the Sandinista Government; in El Salvador was not pushing the head of the Government to move toward correction of the civil rights, human rights problems that existed there, and now this Administration seems almost befuddled by the fact that Nicaragua is moving to participate in the Contadora process, and El Salvador is, through its President Duarte, is reaching out to the guerrillas in order to negotiate a peace.

What Fritz Mondale and I feel about the situation down there is that what you do is you deal first through negotiation. That force is not a first resort, but certainly a last resort in any instance.

MODERATOR: A follow-up, please.

Q: Many times in its history the United States has gone to war in order to defend freedom in other lands. Does your answer mean that you would be willing to forgo the use of military force even if it meant the establishment of a Soviet-backed dictatorship so close to our own borders?

FERRARO: No, I think what you have to do is work with the Government — I assume you're speaking about the Government of Nicaragua — work with that Government to achieve a pluralistic society. I mean they do have elections that are coming up on Nov. 4. I think we have to work with them to achieve a peaceful solution to bring about a pluralistic country.

No, I'm not willing to live with a force that could be a danger to our country. Certainly, I would see that our country would be there putting all kinds of pressure on the neighboring countries of Honduras, of Costa Rica, of El Salvador, to promote the kind of society that we can all live with and security in this country.

Q: Vice President Bush, both Cuba and Nicaragua are reported to be making extensive preparations to defend themselves against an American invasion, which they claim could come this fall. And even some of your Democratic opponents in Congress have suggested that the Administration may be planning a December surprise invasion. Can you tell us under what circumstances a re-elected Reagan Administration would consider the use of force in Central America or the Caribbean?

BUSH: We don't think we're to be required to use force. Let me point out that there are 2,000 Cuban military and 7,500 so-called Cuban advisers in Nicaragua. There are 55 American military in El Salvador.

I went down, on the instructions of the President, to speak to the commandants in El Salvador and told them that they had to move with Mr. Magaña, then the President of El Salvador, to respect human rights. They have done that. They're moving well. I'm not saying it's perfect, but the difference between El Salvador and Nicaragua is like the difference between night and day.

El Salvador went to the polls. Mr. Duarte was elected by 70 percent of the people in 70 percent voting in a certifiably free election. In Nicaragua, you have something very different. You have a Marxist-Leninist group, the Sandinistas, that came into power talking democracy. They have aborted their democracy. They have humiliated the Holy Father. They have cracked down on the only press organ there, La Prensa, censoring the press, something that should concern every American.

They have not had any human rights at all. They will not permit free elections. Mr. Cruz, who was to be the only viable challenger to Nicaragua, the Sandinistas, to the junta, to Mr. Ortega, went down there and found that the ground rules were so unfair that he couldn't even wage a campaign. One country is devoid of human rights. The other is struggling to perfect their democracy.

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Continued

We don't like it, frankly, when Nicaragua exports its revolution or serves as a conduit for supplies coming in from such "democracies" as North Korea, Bulgaria the Soviet Union and Cuba, to try to destabilize El Salvador.

Yes, we're concerned about that. Because we want to see this trend toward democracy continue. There have been something like 13 countries since we've come in move toward the democratic route, and let me say that Grenada is not unrelated. And I have a big difference with Mrs. Ferraro on that one. We gave those four tiny Caribbean countries a chance. We saved the lives, and most of those thousand students said that they were in jeopardy. Grenada was a proud moment because we did stand up for democracy.

But in terms of threat of these countries, nuclear, I mean, weapons, no. There's not that kind of a threat. It's Mr. Mondale that proposed the quarantine, not Ronald Reagan.

Mining Nicaragua's Harbors

Q: Considering this country's long respect for the rule of international law, was it right for the United States to be involved in mining the harbors of Nicaragua, a country we're not at war with, and to subsequently refuse to allow the World Court to adjudicate that dispute and the complaint from Nicaragua?

BUSH: I support what we're doing. It was supported to the Congress and under the law. I support it. My only regret is that the aid for the contras, those people that are fighting, we call them freedom fighters. They want to see the democracy perfected in Nicaragua. Am I to understand from this assault on covert action that nowhere in the world would we do something that was considered just off base when Mrs. Ferraro said she'd never support it? Would she never support it if the violation of human rights was so great and quiet support was necessary for freedom fighters?

Yes, we're for the contras. And let me tell you another fact about the contras. Everyone that's not for this, everyone who wants to let that Sandinista Government prevail, just like that Castro did, all of that, the contras are not Somozistas. Less than 5 percent of the contras supported Somoza. These were people that wanted a

revolution. These are people that felt the revolution was betrayed. These are people that support human rights. Yes, we should support them.

MODERATOR: Congresswoman Ferraro.

FERRARO: I spent time in Central America in January and had an opportunity to speak to the contras after the incident in Nicaragua and in El Salvador. Let me just say that the situation as it exists now, because of this Administration's policies, are not getting better. We're not moving towards a more secure area of the world. As a matter of fact the number of troops that the Sandinistas have accumulated since the Administration started its covert activities has risen from 12,000 to 50,000, and of course the number of Soviet and Cuban advisors has also increased. I did not support the mining of the harbors in Nicaragua; it is a violation of international law. Congress did not support it and as a matter of fact, just this week, the Congress voted to cut off covert aid to Nicaragua unless and until a request is made and there is evidence of need for it, and the Congress approves it again in March. So if Congress doesn't get laid on, the covert activities

which I opposed in Nicaragua, those C.I.A. covert activities in that specific country, are not supported by the Congress. And believe it or not, not supported by the majority of people throughout the country.

MODERATOR: Vice President Bush.

BUSH: Well, I would simply like to make the distinction again between those countries that are searching for democracy and the handful of countries that have totally violated human rights and are going the Marxist route. Ortega, the commandante who is head of the Nicaraguan Sandinistas, is an avowed Marxist. They don't believe in the church. They don't believe in free elections. They don't believe in all of the values that we believe in. So it is our policy to support the democracy there, and when you have freedom fighters that want to protect that revolution, and go the democratic route, we believe in giving them support. We are for democracy in the hemisphere. We are for negotiations. \$3 out of every \$4 that we sent down there has been for economic aid to support the people's chance to eat and live and be happy and enjoy life. And one-fourth only was military. You wouldn't get that from listening to Mr. Mondale.

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EXCERPTED

ARTICLE APPEARED
ON PAGE 22

BOSTON GLOBE
24 October 1984

LETTERS TO THE EDITOR

An easy preference

The vice presidential debate was unfair, a mismatch.

Ferraro is smarter than Bush, and more commanding. Her experience is not flawed by association with some of the shadier foreign affairs of our government.

She was neither a ranking member of the Nixon team nor director of the CIA. She demonstrates a greater commitment to an ethical society and to the values we profess to honor and respect.

Bush was dismayed overtly during the debate by Ferraro's opposition to aggressive action covertly conducted. Bush is a strong advocate of covert action, or "government engineering" as a high-ranking member of the military once called it.

Such actions are conducted covertly because they are unlawful and must be kept secret from the people of the United States.

The reasoning is pragmatic; most successful lawbreakers prefer covert action.

STUART CHAMBERLIN
Swampscott

ARTICLE APPEARED
ON PAGE A-21

WASHINGTON POST
18 October 1984

Joseph Kraft

The Real George Bush

This candidate must be someone else.

Many who asked the real Fritz Mondale to stand up have a similar obligation toward George Bush. For the vice president is a serious man, one of the few at the top of the administration concerned with the substance of issues.

But in the campaign, the patrician has tried to be a populist. He comes across, in consequence, as puerile.

The patrician stamp is all over Bush. He hails from an old New England family, and his father was a prominent banker and Republican senator from Connecticut. Bush himself went to Andover and Yale, and then served, heroically, as a Naval Air pilot in World War II. He married Barbara Pierce, a proper Smith girl from a fashionable New York suburb.

He entered public service in 1966 as a congressman from a silk-stockings district of Houston where he had made his fortune in the oil business. After losing a race for the Senate (to Lloyd Bentsen) in 1970, he became, in succession, ambassador to the United Nations, ambassador to China, director of central intelligence and vice president.

While not brilliant or singularly perceptive, Bush has been distinguished in public service by a sense of noblesse oblige. He carried the ball for a losing effort to save a U.N. seat for Taiwan even while Richard Nixon and Henry Kissinger were arranging the entry of mainland China. He took the CIA job out of a sense of duty, at a time when it meant cutting himself out as a vice presidential candidate in 1976.

At the CIA, Bush quickly discerned that the major problem was with Congress. He began rebuilding ties with the Hill, using all his connections and charm. Unlike some of his predecessors, he didn't dump on past CIA failures. When he left, in 1976, the stage was set for the steady buildup of the agency that followed.

"As an analyst," one CIA veteran says, "I'd give him a gentleman's C. But he gets an A-plus for morale."

During his unsuccessful run for the presidency in 1980, Bush made against Reagan most of the points subsequently advanced by the Democrats. He called the Reagan approach "voodoo economics" and predicted the record deficits. He differed with Reagan on the highly emotional issue of federal financing of abortions.

The sense of duty has marked Bush's performance in the Reagan administration. He has tried conscientiously to grasp the serious issues that confront the country. Compared with most of the rest of the president's entourage, with their emphasis on the appearance of things, he stands out as a veritable Gladstone.

Bush was the man sent to calm the Europeans after Ronald Reagan panicked them with a series of wild assertions that unless new American missiles were deployed there would be no U.S. deterrent force for the continent. On his trip he was so adroit at conveying American flexibility that both opponents in the forthcoming West German election—Chancellor Helmut Kohl and his Social Democratic foe, Hans-Jochen Vogel—applauded him.

After the terrorist attack on the Marines in Beirut, Bush led the way for the decision that pulled out the American force. He pushed strongly within the administration for the improvement of ties with China. Such congressional leaders as Rep. Barber Conable of New York regarded Bush as their man in the White House on measures to close the budget deficits.

But nobody would know any of this judging by his performance in the debate with Geraldine Ferraro. During the debate itself, Bush indulged in sweeping judgments and blatant appeals to the far right. He said his

views on abortion had been changed by the fact that there were 1.5 million abortions in the past three years. In fact, that large number tells against the Reagan position that would make the millions privy to those abortions either murderers or accomplices to murder.

He justified terrorist actions against governments that do not "believe in all the values that we believe in." He strongly implied that because of differences on human rights, there could be no accommodation between this country and Nicaragua.

Far worse was the deliberate effort by Bush to put down Ferraro. In a dialogue with a longshoreman after the debate, Bush said of the encounter: "We tried to kick a little ass last night." When questioned, he said the phrase was an "old Texas football expression . . . a way of expressing victory."

That attack on Ferraro is clearly deliberate. It follows a comment by Mrs. Bush about that "\$4 million . . . rhymes with witch," and a flat assertion by press secretary Pete Teeley that Ferraro is "bitchy."

The point, plainly, is to show Bush as a tough gut-fighter amenable to the Republican right. But the pose won't fool the right-wingers. They know that Bush comes from the wrong part of the country, went to the wrong schools and practices the wrong brand of religion. But the rest of the country knows what it sees and hears. So unless the real George stands up, the general impression will be of a foolish fellow unfit to be president.

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MORTON KONDRAKE

The Bush performance: show-stopper or sideshow?

The polls and a majority of pundits have declared George Bush the winner of last week's vice presidential debate; but I sat through his performance cringing.

At times, Mr. Bush was frenetic, almost out of control. At other times his behavior was just weirdly inappropriate. And throughout, he was so sycophantic toward his boss, the president, as to be laughable.

Geraldine Ferraro's performance was far from perfect. She got unnecessarily testy when asked about her lack of experience with military matters and she distracted her audience by constantly looking down at her notes.

More important, the substance of her answers on Central America and U.S.-Soviet relations suggested that she has thoughtlessly adopted the reflexive "blame-America" bias that prevails among many House Democrats.

But, what are we to make of George Bush?

Besides having been a member of Congress, as Rep. Ferraro now is, he has been vice president, CIA director, and ambassador to the United Nations and China, and yet he utterly lacks *gravitas*, the seriousness of spirit that it takes to lead a great nation.

Instead of a world leader, Mr. Bush comes across like a Boy Scout, a cheerleader, or a water boy — someone who jumps to salute when someone else commands.

He seemed so unsure of his own inner strength in the debate that he kept hammering at points long after they had been made. His high-pitched voice and blurting-out of strange interjections ("Whine on, harvest moon!") made him sound frantic.

His patronizing condescension toward Rep. Ferraro and constant fawning praise for President Reagan made Mr. Bush seem, in the end, pathetic.

And it was also pathetic to see Mr. Bush, the Brahminic preppy from Yale, try to be one of the boys with a Longshoreman's union official on the day after the debate by joshing, "We tried to kick a little ass last night."

Aides to Rep. Ferraro suspect that Mr. Bush's remark was no accident, but the extension of a pattern begun when Mr. Bush's press secretary called Rep. Ferraro "bitchy" and Mr. Bush's wife called her an "I can't say it, but it rhymes with rich."

The Ferraro aides charge that Mr. Bush either is reacting to Rep. Ferraro's being a woman, to her being an Italian-American, or to her being of less lofty socioeconomic origins than Mr. Bush. "In any event," one aide said, "the Bush attitude is 'How dare she oppose us?'"

Another theory is that Mr. Bush is indulging in displays of macho to build up his image for the 1988 Republican presidential race against Rep. Jack Kemp, a former professional football quarterback.

Whichever is correct, Mr. Bush does not come out of all this as inspiring confidence or demonstrating the self-confidence it takes to lead.

In the debate, too, he seemed so lacking in confidence in his ability to make points forcefully that he began attributing false motives to the Democrats.

One example was the allegation that Walter Mondale somehow had slurred the Secret Service, the people who "saved the life of the president," when in fact, Mr. Mondale only said that Mr. Bush pays a lower tax rate than Mr. Bush's chauffeur, who is a Secret Service man.

An even more Nixonian trick was Mr. Bush's statement that "for somebody to suggest, as our two opponents have, that these men (the 265 servicemen killed in Lebanon) died in shame, they better not tell the parents of those Marines."

Rep. Ferraro responded by giving Mr. Bush the spanking he deserved.

"No one has ever said that those young men who were killed through the negligence of this administration ... died in shame," she said. "No one who has a child, a son, who's 19 or 20, would ever say that about the loss of anybody else's child."

Mr. Bush also accused Rep. Ferraro of opposing all covert CIA operations, though in fact she opposes (mistakenly, I think) only aid to anti-government guerrillas in Nicaragua.

These low blows and the rest of Mr. Bush's performance suggest that he rattles under pressure.

He couldn't calmly praise Mr. Reagan's record. Instead, he heaped it on, as in the statement on Lebanon: "I don't think you can go assigning blame. The president, of course, is the best I've ever seen at accepting that. He's been wonderful about it in absolutely everything that happens."

And then there was Mr. Bush talking about the president meeting with Soviet Foreign Minister Andrei Gromyko: "I wish everybody could have seen that one ... excellent, right on top of that subject matter and I'll bet Gromyko went back to the Soviet Union saying, 'Hey, listen, this president is calling the shots, we'd better move.'"

The conventional wisdom about Mr. Bush's performance is that it means nothing important for 1984, but only for 1988. I disagree. In the presidential debate with Walter Mondale, Mr. Reagan showed signs of age, intimations of mortality.

Ghoulish though it may be to think about, the fact is that Mr. Bush has to be looked at as someone who might be president before 1988.

Since the polls indicate that the Republicans still are likely to win the election, Mr. Bush's debate performance makes me want to pray for President Reagan's continued good health.

Morton Kondracke is executive editor of *The New Republic* and a nationally syndicated columnist.

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19 May 1984

CIA Sougth 3rd-Country Contra Aid

By Bob Woodward
Washington Post Staff Writer

The CIA unofficially asked Saudi Arabia and Israel last month to provide covert support for the U.S. intelligence agency's secret operations against the Sandinista government of Nicaragua, according to informed sources.

The Saudi government turned down the request. But the sources said some U.S. intelligence officials have claimed that Israel provided some type of well-concealed financial assistance to U.S.-backed guerrillas, called "contras," who are conducting paramilitary operations against the leftist government in Managua.

A senior Israeli official denied this yesterday, saying, "We have not supplied any money to the contras, either directly or indirectly. We are not consciously or with knowledge passing anything to the contras We are not a surrogate for the United States."

According to U.S. sources, the Israeli assistance reportedly totals several million dollars and appears to be reaching the contras through a South American intermediary. The United States might repay Israel for this unofficial assistance, the sources said, in the \$2.5 billion in military and economic aid it annually sends to Israel.

Asked about overtures to Saudi Arabia and Israel, a senior Reagan administration official said this week, "There were lots of conversations . . . but nothing of that character that was official." The Saudi contact, according to this official, was "totally unauthorized."

Sources said that Reagan administration lawyers questioned the legality of any CIA effort to circumvent Congress, which so far has refused to approve additional money the administration has requested for the covert operations. Another well-placed official said about the Saudi contact, "In a sense [the United States] didn't ask and [the Saudis] didn't say no . . . but of course it happened."

The Reagan administration appears to be making wide-ranging efforts to keep the contras supplied with money and equipment while Congress remains in a stalemate over further funding for the secret operations against Nicaragua's government. In at least one case, congressional sources said yesterday, the CIA borrowed aircraft from the U.S. Air Force and loaned it to the rebels at no cost.

This circuitous process, described by congressional sources as "bailment," appears to allow the CIA to get around the financial limits imposed by Congress on aid to the contras. The sources said they believe the CIA may have borrowed other aircraft or ships, but not arms, from the Defense Department.

According to the congressional sources, the CIA has about \$1 million left of the \$24 million that Congress last approved for aid to the Nicaraguan rebels.

The Nicaraguan Democratic Force, largest of the three rebel groups receiving U.S. aid, announced yesterday that its forces had captured a government outpost in a southern part of Nicaragua called Chontales. If true, this would indicate that the rebels still have the strength to open a new front.

In the current atmosphere of reciprocity between the Israeli and U.S. intelligence agencies, Israeli assistance to the contras would not be out of the question, according to both U.S. and Israeli sources. Several officials said that William J. Casey, in his three years as CIA director, has provided Israeli intelligence with access to sensitive satellite photographs and other reconnaissance information that had been denied the Israelis in the late 1970s.

Several contra leaders have been quoted recently, as they were last year, as saying that they had made arrangements to get assistance from Israel. Several well-placed sources said it is apparent that some type of alternative funding got through to the contras after Congress refused last month to approve the \$21 million requested by President Reagan for the covert operations.

"The desperation of April has turned to the confidence of May," said one source. A senior Reagan administration official yesterday attributed the new mood of confidence to "lots of scrounging around" by the contras.

Both Casey and other CIA officials have denied to the House and Senate Intelligence committees that they have any personal knowledge of a third country providing money to the contras.

Two sources described the following sequence of events for the back-channel request to Saudi Arabia after The Washington Post published an April 13 report in which an unidentified source revealed that the CIA was considering the possibility of asking "another country, such as Saudi Arabia, to send money to the contras." The source was a U.S. official, although not identified as such in the report.

Soon after the report appeared, a CIA official asked a Saudi official if the well-placed source had been a Saudi and whether Saudi Arabia was hinting interest in helping to support the contras. The Saudi official replied negatively, according to the sources, and then

was pressed by the U.S. official, who noted that the requested \$20 million to \$30 million would be "peanuts" for the oil-rich kingdom.

The Saudi official then agreed to check officially at high levels of his government. The sources said the reply was negative, with these reasons given:

- The Saudis believed that the CIA could not or would not really offer anything of substance in return.

- The Saudis generally disagreed with many aspects of U.S. policy in Central America. The Nicaraguan government, which the CIA is harassing through its support of the contras, is essentially pro-Arab, while two U.S.-backed countries in the region—Costa Rica and El Salvador—recently moved their embassies in Israel to the city of Jerusalem, a move opposed by Arab states, including Saudi Arabia.

- The Saudis claimed they had no confidence that secrets could be kept in the Reagan administration and that any covert Saudi aid soon would be reported in the American press and embarrass them.

The extent of U.S.-Israeli cooperation on intelligence matters is a matter of some concern in the CIA. Some officials believe that Casey has gone too far. Others say, however, that the United States gets much crucial information in return from the well-respected Israeli services.

Retired Israeli Maj. Gen. Yehoshua Saguy, who was head of Israeli military intelligence from 1979 to 1983, said in an interview earlier this year that the CIA now gives the Israelis access to data from reconnaissance satellites "not only the information but the photos themselves Casey now says 'yes' all the time." Saguy said Casey's action was "very wise politically" and confirmed ~~STATE~~ reversal from the policy of CIA director Stansfield Turner, who left office in early 1981.

Congressional Committees Ambivalent On Role as Overseers of CIA Activities

By DAVID ROGERS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Central Intelligence Agency ship that directed the mining of Nicaraguan harbors has returned to its home port, but finding a safe harbor for the agency and the twin congressional committees assigned to oversee it will take much longer.

A month after the disclosure of the mining operation, the episode remains an embarrassment to key senators. It is a reminder as well of the fragile structure by which both houses of Congress review CIA activities.

From its outset, the Nicaragua war has posed a major test of guidelines enacted by Congress only months before the larger covert operation against Nicaragua's Marxist regime began in 1981. That law concentrated the responsibility for overseeing the agency in the House and Senate Intelligence committees. Republican senators, who won control of the Senate in the same period, are being forced to reexamine these provisions and their own institutional relationship with President Reagan.

In both houses, intelligence committee members are preparing new rules that they hope will make it tougher for the CIA to keep things from Congress. Senate committee members, for instance, are drafting fresh classified guidelines to specify precisely what the committee expects from the spy agency and what access senators' staff members will have to sensitive information.

"Basically, the idea is to put into the structure what we thought was understood," says Sen. William Cohen (R., Maine).

This effort could be jeopardized because both committees face an extraordinary turnover in their ranks under established rotation rules. Neither House Intelligence Chairman Edward Boland (D., Mass.) nor his Senate counterpart, Sen. Barry Goldwater (R., Ariz.), will remain on the panels after this Congress. And of the 29 members on the two committees, at least 17 are scheduled to be replaced.

Foreign Insight

Preventing 'Capture' by CIA

This rotation is meant to bring in new blood and prevent the committee from becoming "captive" to the CIA. Yet it also reflects ambivalence in Congress toward the entire oversight process as members seem to pursue, and sometimes to shy away from, knowledge of CIA activities. The same Mr. Goldwater, who so bitterly complained about not being informed, in the past hasn't hidden his distaste for overseeing CIA activities. The late Sen. Leverett Saltonstall, a crusty Massachusetts Republican, said three decades ago, there is a reluctance by the CIA to tell, and Congress to ask.

Vietnam and the furor over CIA abuses in the mid-1970s were said to change this attitude, but there has been a clear move back toward favoring the agency, beginning under President Carter. The 1980 act repealed the Hughes-Ryan amendment of 1974 that required reporting on covert operations to as many as eight House and Senate committees. And while the new law incorporated tighter reporting requirements, the two committees and the CIA apparently have only now begun to spell out what the act means in practice.

"Significant anticipated intelligence activities" must be reported, for example, but no rule specifies that "significant" automatically includes operations like the Nicaragua mining, which was approved by President Reagan after meetings with his high-level National Security Policy Group advisers.

"I'm not at all satisfied with the oversight function of Congress," says Rep. Lee Hamilton (D., Ind.), who is expected to chair the House committee next year. The Senate panel, which came under GOP control with Mr. Reagan, has been the most trusting—and lax according to critics—in overseeing the agency.

CIA Still Reluctant

Personality and structure have each played a part. CIA Director William Casey isn't a professional spy but a lawyer whose vague answers were legendary in the Capitol long before the mining flap. His much-published apology to the Senate temporarily soothed congressional tempers, but as recent exchanges with both committees indicate, the CIA is still reluctant to be as open as some members want.

"They give us the information but they give it reluctantly," says a senior House member. "That is the mark of an uneasy relationship."

Within the Senate committee, relations have been badly strained between staff and the CIA liaison office. And within the White House, there have been preliminary discussions that Vice President George Bush, a former CIA director, take a more direct role to improve the agency's ties to Congress.

The real force behind congressional oversight of executive agencies is the power of the purse, yet there has always been a reluctance to withhold money in cases of foreign policy. The intelligence committees could greatly strengthen their hand by restricting the use of contingency funds in the annual CIA budget, but neither has ever done so.

This is why the refusal of the House to fund the CIA's covert war in Nicaragua is considered so extraordinary. But without support from the Senate, the Democratic-controlled panel hasn't been able to enforce its demands. Its adversarial role has made it more aggressive in keeping watch on the CIA, but even when Chairman Boland knew about the mining, his best option was to wait until a secret session of the full House could be held on the administration's request for an additional \$21 million.

The disclosures in the press about the mining in Nicaragua made this moot but didn't save the Senate from embarrassment. In contrast with the House leadership, Democrats on the Senate committee have repeatedly sought to avoid any split with Republicans over Nicaragua, and ignorance—or the appearance of ignorance—was the most ready defense after the ~~SENATINTL~~ reports.

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ON PAGE A-3

WASHINGTON TIMES
20 April 1984

Bush 'should repent' role in CIA, Muslim chief says

THE WASHINGTON TIMES

ST. LOUIS — Vice President George Bush "should repent" for his role as CIA director, rather than attack others for not repudiating anti-Jewish remarks made by the Rev. Jesse Jackson, Black Muslim leader Louis Farrakhan told the nation's black mayors yesterday.

"I say to you, Mr. Vice President, please, you are not in a moral position to tell us anything about justice and violence, with your hands dripping with the blood of rulers and nations whom you have overthrown when you were the head of the CIA," said Mr. Farrakhan, the leader of the Nation of Islam.

Treasury Secretary Donald T. Regan and Agriculture Secretary John R. Block, also addressed the National Conference of Black Mayors, urging dedication to President Reagan's economic policies to promote revitalization of urban centers and rural communities.

Leveling accusations against an array of American institutions while proffering his philosophy of black self-help, Mr. Farrakhan said Mr. Bush "should repent of your evils done to the peoples of the world

before you dare open your mouth to lecture me...."

He could teach the vice president a higher morality, "If you will open the White House door," Mr. Farrakhan said.

The Nation of Islam is a black Muslim organization with a membership estimated at between 5,000 and 10,000.

As the group's leader, Mr. Farrakhan has attracted national attention in recent weeks after he threatened the life of a black Washington Post reporter and then denied making the statement.

The reporter was the first to publish Mr. Jackson's reference to Jews as "Hymie" and to New York City as "Hymietown."

Last week, Mr. Bush denounced Mr. Jackson and his Democratic presidential nomination opponents, former Vice President Walter Mondale and Sen. Gary Hart of Colorado, for not forcefully speaking out against Mr. Jackson's Muslim ally.

Yesterday, at the black mayors' prayer breakfast, Mr. Farrakhan's address was repeatedly interrupted with applause as he added another chapter to the incident.

In remarks much stronger than

those made last week at a Washington press conference held to deny the threat against Washington Post reporter Milton Coleman, Mr. Farrakhan said that news management officials put "undue pressure" on reporters "to go out and bring back the head of a black leader so that you can hang his head in your trophy room."

He added that black reporters should be courageous enough to refuse such assignments.

"What we are saying is what is off the record, should be off the record," he said, referring to Mr. Jackson's contention that the remark was not for publication and was not intended as an ethnic slur.

Mr. Regan told the mayors that the president's proposed enterprise zones would create jobs in cities with high youth and minority unemployment.

But he blamed election-year politics for keeping that legislation bottled up in Congress, and he asked for the black leaders' cooperation in Congress "to make this innovative idea work."

Mr. Block said that because many of the nation's 254 black mayors represent rural communities, "we are natural allies" in the rural development fight.

"It's a two-way street, too," he said, indicating that he has initiated steps to make his agency take on a greater role as "an advocate for all of rural America."

Reagan Urged to Go to American People on Nicaragua Issue

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, April 19 — Administration officials said today that some White House officials have urged President Reagan to make a speech to the American people to overcome Congressional resistance to \$21 million in additional aid for the Nicaraguan rebels.

"I think the only way we are going to get the money," an official said, "is by the President going over the heads of Congress, to the people, to lay out the situation and persuade them that there is an important middle ground between total war and total peace."

Other officials hope a compromise can be worked out. A State Department official said that, once Congress returns from its Easter recess next Tuesday, there will be an opportunity for discussion to see what can be done.

The officials said no decision was likely until Mr. Reagan returns from China in 11 days. But they noted that available money for the rebels was almost exhausted and that the aid program would be imperiled if Congress did not approve the \$21 million soon.

Senate Voted Money April 5

The Senate approved the request April 5, but House Democratic leaders have vowed not to vote any money. Since April 5, key members of the Senate Select Committee on Intelligence have complained that William J. Casey, the Director of Central Intelligence, did not inform them adequately about American involvement in the mining of Nicaraguan harbors and in a raid against Nicaraguan oil storage tanks.

Vice President Bush, referring to the Nicaraguan rebels as Contras, told the Overseas Writers club today:

"I think it would be very, very bad if the Contras receive no funding from the United States. If you deny the Contras any support at all, you facilitate the overthrow of a neighboring regime which is going the democratic route, which has not perfected democracy, but is head and shoulders above the Sandinistas."

He was alluding to the Reagan Administration's argument that aid to the Nicaraguan insurgents was justified on the ground that the Nicaraguan Government was aiding the rebel forces in El Salvador.

Two Legislative Approaches

There are two legislative possibilities when Congress returns, Congressional staff aides said.

One is for a House-Senate conference to settle differences between a \$1.4 billion Senate appropriations bill that contains \$21 million for Nicaraguan rebels, and a House bill that contains only \$150 million in African famine relief.

The other is for the House to take up a substitute appropriations bill offered by Representative Jamie L. Whitten, Democrat of Mississippi, chairman of the Appropriations Committee, which contains \$500 million in aid, none of its for the Nicaraguan rebels.

Neither approach would provide money for the insurgents.

Last fall, when the Congress first approved \$24 million for the Nicaraguan rebels, the House at first did not support the aid. But House conferees agreed to it in conference with the Senate. For this to happen again, the Senate conferees would have to fight strongly for the request.

Two Hearings Are Scheduled

The Administration hopes to end the feud with the Senate Intelligence Committee next week. Two hearings are scheduled. The first, on Monday, will involve staff members of the committee and of the Central Intelligence Agency, through which the money for the Nicaraguan rebels is being funneled. The other hearing, on Thursday, will involve senators and senior C.I.A. officials.

Senator Patrick J. Leahy, Democrat of Vermont, who is a committee member, said in an interview that there were so many senators who "justifiably feel they were not briefed adequately" that there is a credibility problem between the Congress and the intelligence agencies.

"We should charge admission to the hearing next week," he said, "because there will be so much storming with people pointing fingers at each other, accusing them of this and that."

Senator Leahy, who opposed aid for the Nicaraguan rebels, has said that he was sufficiently briefed on the nature of American involvement in the activities against Nicaragua.

Committee Recommendations

Committee staff aides have drawn up some recommendations. Some of these reflect the complaints by Senator Barry Goldwater, Republican of Arizona, the committee chairman, and Senator Daniel Patrick Moynihan,

Democrat of New York, the vice chairman, that Mr. Casey did not properly inform the committee about the scope of the American involvement.

Under the recommendations, the committee aides said, the C.I.A. would be required to certify each week that it has not undertaken any new significant operations without fully informing the committee. Mr. Casey would be required to testify only under oath, and the C.I.A. legislative liaison officer, Clair George, would be replaced.

Mr. Casey has insisted that he has complied fully with the law in his briefings. In a bulletin distributed to C.I.A. employees last week, he said reports that Congress had not been properly informed were "not true."

"We have fully met all statutory requirements on notifying our intelligence oversight committees on the covert action program in Nicaragua," he wrote. "This agency has not only complied with the letter of the law in our briefings, but with the spirit of the law as well."

CIA role in Nicaragua misrepresented: Bush



PD/MARVIN M. GREENE

Vice President George Bush talks to reporters before leaving Cleveland.

By Joseph D. Rice

Reports of the CIA's involvement in helping mine the Nicaraguan coast have been "grossly misrepresented" by some people who do not know all the facts, Vice President George Bush said yesterday. Then Bush declined to provide any details himself.

"There has been a great deal written that's not true," Bush, a former CIA director, said in an interview in his suite at Stouffer's Inn-on-the Square. "I wish I were in a position to set the record straight, but I'm not."

"What I'm going to do is keep the focus on what the president's policy is in Central America. I'm convinced after the facts are known to more than the appropriate committee things will calm down and the people will recognize we should try to support the democratic process in El Salvador."

A CIA ship in international waters off the Nicaraguan coast reportedly provided the mines to commandos, fighting Nicaragua's Sandinista government, who placed the mines.

Bush said he was unaware of U.S. pilots accompanying Salvadoran pilots on combat missions, as the New York Times reported Thursday. The U.S. embassy in San Salvador denied the reports.

The vice president said he foresaw no change in U.S. policy banning U.S. forces from participating in combat operations.

"There is a limited number of trainers in El Salvador, none in Nicaragua . . .," he said. "Yet, those who criticize our policy keep talking about the use of force in Central America."

Continued

Bush depicted the Sandinista government as one that brutalizes people, bans freedom of the press, and restricts religious freedom.

He campaigned for President Reagan's re-election Thursday here and in Columbus. Bush speculated preoccupation with internal political matters in the Soviet Union, marked by Konstantin U. Chernenko's succeeding Yuri Andropov as president, may be responsible for the delay in resuming arms limitation talks.

"We want them to come back," Bush said. "We would like to demonstrate whatever flexibility it takes to get back. But we are not going to reverse an alliance decision. We are not going to crawl in order to have them do what they ought to do just to lower the level of terror in the world."

Bush referred to the NATO decision to deploy U.S. intermediate range ballistic missiles in western Europe over Soviet protests.

Bush declined to assess the leadership ability and characters of Walter Mondale, the Rev. Jesse Jackson and Sen. Gary Hart, D-Colo., the Democratic presidential candidates.

He said supporters of Sen. John H. Glenn, D-O., who dropped out of the presidential race last month, might support President Reagan "when they see a man with their views just has no chance to go anywhere (in the Democratic primaries)."

Bush said Jackson's candidacy is a "good thing for the political process" even though he disagrees with him on most issues.

Bush said Reagan will stand by his nomination of Edwin Meese III to be attorney general, despite a Harris poll published yesterday that showed 66% of the people want Reagan to withdraw the nomination.

ARTICLE APPEARED
ON PAGE 44

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14 April 1984

Covert activities defended by Bush

By Paul Nussbaum
Inquirer Staff Writer

LANCASTER — Vice President Bush, campaigning yesterday in central Pennsylvania, invoked the specter of Nazi Germany to defend covert activities by U.S. agents, although he declined to comment on CIA involvement in the covert mining of Nicaraguan harbors.

Bush, who once was director of the CIA, said he "wrestles with the moral aspects of the question" of using undercover activities, adding that they sometimes can be "totally benign."

Bush talked with reporters after a political rally here in the conservative heart of rural Pennsylvania, which he said epitomizes the Reagan administration's themes — "the American values like peace and freedom and family and faith and work and neighborhoods."

Asked about the mining of Nicaraguan harbors with CIA assistance, Bush said he could not talk about covert activities "because then they wouldn't be covert, would they?"

He went on to say that some circumstances require secret activities and as an example suggested that covert action against Adolf Hitler before World War II would have been a good thing.

"Would it have been good to use covert action to see that he didn't come to power? Would destabilization of the Third Reich early on have been a moral thing?

"When you look at the history ... when you look at what happened as a result of his being there, I suspect most people would agree that if that's what it took, it might have been morally justified."

Bush said he considers covert action to be "very different than the public perception of it ... sometimes it can be totally benign, and sometimes it's not."

ARTICLE APPEARED
ON PAGE 43

WASHINGTON TIMES
13 February 1984

JOHN LOFTON'S JOURNAL

Legacy of savagery is left by Andropov

How embarrassing. Imagine the depression among those members of the Soviet medical establishment. Their president has died of a cold! But seriously, now I'm really confused. When they were saying Yuri Andropov was okay, I was sure he was not. Now that they're saying he bought the dacha, I'm sure he is not dead.

I wonder what it was like at the moment of Yuri's passing? Was there a half-read Jacqueline Susann novel beside the bed of this person? The Washington Post said some Western analysts felt was a "closet liberal," this person the New York Times said was seen as "cultivated" by some American specialists? Was an old Glenn Miller record playing softly in the background when Yuri expired? Was he mumbling in the fluent English, which some dupes said he spoke but nobody could prove?

And, of course, I am now also worried about the fact that Vice President Bush will be representing our country at Yuri's funeral. Why does this worry me? Because Mr. Bush said some very dumb things at the most recent funeral he attended for a Soviet head of state. Following his attendance at the Brezhnev funeral, Mr. Bush said of the then new Soviet leader, Mr. Andropov, that "some people" had made his former job as head of the KGB sound "horrendous." Said Mr. B of Mr. A:

"Mavbe I speak defensively as a former head of the CIA. But leave out the operational side of the KGB — the naughty things they allegedly (?) do. Here's a man who has had access to a tremendous amount of intelligence over the years. In my judgment he would be much less apt to misread the intentions of the United States."

Commenting on the fact that Mr. A was "very much in charge" of the Soviet government, Mr. B said that on this basis there was "every reason to be hopeful," that "you've got to be hopeful."

In another interview, Mr. B said, when asked if Mr. A could be trusted to keep an agreement: "It's hard to say . . . I have no reason to believe that as a person (he) would break his word. I don't have any reason to believe the other way."

But, in fact, there was no reason to be hopeful about Mr. A. And there was every reason to believe he was a pathological liar. Prior to officially being named Russia's Number One Thug, Mr. A did such "naughty things" as: playing a key role in crushing the freedom fighters in Hungary and Czechoslovakia; directing the Soviet genocide against the Afghanistan people; smashing the dissident movement in the USSR; and there is compelling evidence that his KGB was behind the plot to murder the Pope.



In his definitive book "KGB," John Barron notes that when Mr. A was Soviet ambassador to Budapest in 1956 during the revolt "he demonstrated a first-rate capacity for intrigue by luring Hungarian leaders to their deaths." Mr. Barron says that after Mr. A deceived Imre Nagy and Pal Maleter into believing the Soviets would be willing to negotiate with them, these two leading freedom fighters were murdered.

As George Olkhovsky, the official U.S. representative of "Kontinent" — a magazine of political commentary founded by Alexander Solzhenitsyn and other Soviet emigres — told me at the time regarding Mr. A: "I have never heard one good thing about him. He is the worst son-of-a-bitch in existence!"

And while he was in office, Mr. A continued his legacy of savagery. It was on his watch, for example, that Soviet fighter pilots murdered the 269 men, women and children aboard the unarmed civilian Korean airliner, Flight 007.

So, where do we go from here? Who and/or what can we expect after the death of Mr. A? Well, the first rule of thumb is that we should believe virtually nothing we hear coming from the Soviet Union. As ex-communist Arthur Koestler observed in his chapter in the classic "The God That Failed" — concerning Party meetings:

"Two hours of this dialectical tom-tom and you didn't know whether you were a boy or a girl, and were ready to believe either as soon as the rejected alternative appeared in inverted commas. You were also ready to believe that the Socialists were: (a) your main enemies, (b) your natural allies; that socialist and capitalist countries: (a) could live peacefully side-by-side, and (b) could not live peacefully side-by-side; and that when Engels had written that Socialism in One Country was impossible, he had meant the exact opposite."

"You further learned to prove, by the method of chain-deduction, that anybody who disagreed with you was an agent of Fascism, because (a) by his disagreeing with your line he endangered the unity of the Party; (b) by endangering the unity of the Party he improved the chances of a Fascist victory; hence (c) he acted objectively as an agent of Fascism even if subjectively he happened to have his kidneys smashed to pulp by the Fascists in Dachau."

Says Mr. Koestler: "There is always a supply of new labels on the Cominform's black market in ideals. They deal in slogans as bootleggers deal in faked spirits; and the more innocent the customer, the more easily he becomes a victim of the ideological hooch sold under the trademark of Peace, Democracy, Progress or what you will."

Please, remember this, Mr. B when you attend Mr. A's funeral.

ARTICLE APPEARED
ON PAGE IX

CHRISTIAN SCIENCE MONITOR
26 January 1984

THE
TEAM
PLAYER

GEORGE BUSH

If there's a Heisman Trophy for loyalty,
this vice-president deserves it, all agree

Th' prisdincy is th' highest office in th' gift iv th' people. Th' vice-presidency is th' next highest an' the lowest. It isn't a crime exactly. Ye can't be sent to jail f'r it, but it's a kind iv a disgrace. It's like writin' anonymous letters. — from "Dissertations by Mr. Dooley" by Finley Peter Dunne

By Louise Sweeney

Staff writer of the Christian Science Monitor

CONTINUED

GRAND RAPIDS

BUSH: U.S. FOLLOWING "INTELLIGENCE TRAIL" TO BEIRUT BOMBER
BY RON KOEHLER

The United States and its allies in Lebanon are following an "intelligence trail" to identify the terrorists responsible for the Beirut bombing, Vice President George Bush said Tuesday.

25X1A

Bush said he met with President Amin Gemayal after the Oct. 23 suicide bombing that killed 230 U.S. Marines and "impressed on him the importance of complete cooperation" of the varied intelligence operations in Lebanon to determine who was responsible for the largest loss of U.S. servicemen since the Vietnam War.

"There is an intelligence trail ... it can be followed," the former CIA director said in a news conference at Kent County International Airport. "It will not be easy but I think the answer will be optimum cooperation among intelligence sources."

Bush acknowledged "it is very difficult to guarantee you are safe from terrorism" but said that should not prompt the withdrawal of the multinational peacekeeping force because "the United States must never permit terror to dictate policy."

Bush ridiculed reports some American troops had only "tourist maps" to follow during the invasion of Grenada and said the administration was "clearly, unequivocally" correct in its decision to invade that island.

"If you listen to the students you know they think their lives were in danger," he said, dismissing the loss of civilian lives and the mistaken bombing of a mental hospital as the unfortunate consequences of a necessary military action.

"You sometimes can't get all the information you want when there is a criticality of the situation," he said. "If you had the luxury of plenty of time maybe something like that could have been avoided."

"I think it was far from an intelligence failure."

The vice president parroted the Army's line when asked why reporters were denied access to Grenada for three days after the mission.

"I guess the military commanders felt the secrecy of the mission; plus the safety of reporters was at stake," he said.

Bush was in Grand Rapids for two Republican receptions and a dinner for U.S. Rep. Guy VanderJagt at Grand Valley State College in nearby Allendale.

VanderJagt, Michigan's 9th district congressman since 1966, was to be honored later in the evening with an endowed chair of political science and communications at Hope College in Holland, his alma mater.



OFFICE OF THE VICE PRESIDENT
WASHINGTON

October 5, 1983

Mr. Dale Peterson
Public Affairs Office
CIA

Dear Dale:

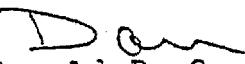
This is a picture taken August 10, 1983 of former CIA employee, Jack Downey, visiting with Vice President Bush.

As you no doubt recall, Downey was shot down on an agency mission over Manchuria in November 1952 and subsequently sentenced to life imprisonment. He was released in March 1973, has subsequently graduated from Harvard Law School, and is now a practicing attorney in New Haven, Connecticut.

This year, to celebrate the tenth anniversary of his release from prison, Downey returned to China with his wife and small son for an 18-day visit. The Chinese received him hospitably.

The Vice President enjoyed his meeting with Downey very much and took him in for a brief meeting with President Reagan. For those of us who have known Jack from the time he first entered the Agency in 1951, the meeting was a very happy occasion and I thought that other CIA employees might enjoy sharing the moment.

Sincerely,


Donald P. Gregg
Assistant to the Vice President
for National Security Affairs

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR RELEASE: 11:00 a.m., Austrian time CONTACT: 202/456-6772
Wednesday, September 21, 1983

ADDRESS BY GEORGE BUSH
VICE PRESIDENT OF THE UNITED STATES
VIENNA, AUSTRIA
SEPTEMBER 21, 1983

It is a pleasure for me to come here and speak to you today; and it is appropriate that the setting be the Ceremony Hall of the Hofburg, a hall which has witnessed both the full horror of dictatorship and the glistening promise, the abundant actuality of freedom. This beautiful country of Austria is now in the full bloom of democracy; but others are not so fortunate. I have just come from the countries to your East, and I have seen in the faces of the people there a yearning for the same freedoms and democratic rights enjoyed by the people of Austria. I know that this is a subject of particular concern to Chancellor Cinowatz, whose home in the Burgenland sits only a few miles from Austria's eastern border.

Last January I travelled to Germany, and in the course of my trip paid what for me will always be an unforgettable visit to the small village of Moedelreuth. Down the main street ran a high concrete wall topped with densely packed barbed wire. On the near side, the villagers were peacefully going about the ordinary business of their daily lives. On the far side, soldiers stood watch with machine guns and attack dogs ran along the wall on chains.

As I looked out to the East, I had the momentary impression that I was standing in a lonely outpost on the edge of Western civilization. Given the harsh reality of the wall, the impression is perhaps understandable; but how true is it?

Historically, of course, it couldn't have been more false. That wall, that wound which in one form or another spans the breadth of the continent, runs not along the edge, but cuts through the very heart of Europe. The diverse and complex region through which I have just travelled, a region so rich in history and culture, has always been a part of the European mainstream.

You Austrians so aptly call this part of the world Mitteleuropa -- Central Europe. Can a wall, can guard dogs and machine guns and border patrols deny hundreds of years of European history? Can they create and enforce this fictitious division down the very center of Europe?

When we think of that monstrous wall, we think first of the very personal violence it expresses: Families divided, a people

- more -

held prisoner in their own country. But what of the violence -- just as real -- it does to our history and traditions?. What of the violence it does to Europe?

Czeslaw Milosz, the Nobel Prize-winning Polish poet, is one of the many dissident artists, writers, and intellectuals, who were forced to choose exile from the language and country they loved, rather than be exiled from their history and cultural traditions within their own country. In Milosz's famous book, The Captive Mind, he writes about the "extinguishment" he sees in the face of Eastern European intellectuals. Their countries, they know, are rightfully part of an ancient civilization, one that is derived of Rome rather than Byzantium. "It isn't pleasant," he writes, "to surrender to the hegemony of a nation which is still wild and primitive, and to concede the absolute superiority of its customs and institutions, science and technology, literature and art. Must one sacrifice so much. . .?", he asks.

Over a hundred years ago, some Tsarist historians spoke with a contempt born of envy of the "decadent West." One example of such decadence was, no doubt, the music of Frederic Chopin. In a recent essay, the Czechoslovakian author, Milan Kundera, tells of how 14 years after Chopin's death, Russian soldiers on the loose in Warsaw hurled the composer's piano from a fourth-floor window. "Today," writes Kundera, "the entire culture of Central Europe shares the fate of Chopin's piano."

It has often been remarked that of the three great events in European history -- the Renaissance, the Reformation, the Enlightenment -- Russia took part in none. But Mitteleuropa, the region that gave birth to Jan Hus, took part in them all. This region has always looked west, not east. I was struck by the close ties in even its easternmost quarter when I heard the beautiful romance language, so similar to French and Italian, spoken by the people of Romania.

Fortunately, we are beginning to see fissures in the wall. During my visit I saw that, more and more, the natural forces which bring people closer together, rather than push them apart, are beginning to reassert themselves.

We in America feel strong and unbreakable ties with the people of Central Europe. So many Americans came to our country from this region to escape poverty and religious and political persecution. Many still do. America was built in great part through the industry of Hungarians, Germans, Czechs and Poles. Across the street from my office in the White House stands a statue of Tadeusz Kosciuzko, a hero of our revolutionary war, whose brilliance as a military engineer helped free my country from foreign domination. The United States, in fact all of the civilized world, remembers with the deepest gratitude the part played by the

- more -

free Polish forces in World War II, the brave fighters who rejected Hitler's and Stalin's infamous pact to partition their country. And we will never forget the courage of the Poles who, after years of suffering the ravages of war and the ruthless suppression of their people, rose up again in Warsaw -- they fought to the end, while those who they called themselves their allies cooled their heels on the east bank of the Vistula river.

The ties of my country to Central Europe are many, our histories are often intimately intertwined. The founder and President of the first Czechoslovak Republic, Thomas Masaryk, married an American. Sixty-five years ago this October, he wrote the Czechoslovak Declaration of Independence, a document founded on the same "historic and natural" rights that guided our own forefathers in writing our Declaration of Independence. To quote from that document written by Masaryk: "We accept and shall adhere to the ideals of modern democracy, as they have been the ideals of our nation for centuries." The "nation of Comenius," he said, accepts "the principles of liberated mankind, of the actual equality of nations, and of governments deriving all their just power from the consent of the governed."

The Czechoslovak Republic, which lasted from 1918 until 1938, was one of the most prosperous countries in Europe; its charter guaranteed "complete freedom of conscience, religion and science, literature and art, speech, the press, and the right of assembly and petition."

Today, according to their own constitution, the Czechs are promised the same freedoms; so, too, by written law and international treaties to which the Soviet Union and the governments of Eastern Europe are signatories, are the people of other countries in the region promised these basic human rights. But we have seen how often governmental deeds diverge from official promises. The people in many parts of Eastern Europe must now carry on their culture, their traditions, underground and in fear.

But there are groups, such as the Charter 77 movement in Czechoslovakia, and Solidarity in Poland which have sought to persuade their government to abide by their own laws and international commitments. Because of these individuals, who courageously demand their human rights, and because of the more imaginative leaders in some of these countries who have listened to the just wishes of their people and have sought to democratize their social and economic systems; European culture on the eastern side of the continent will never die.

The United States shares with these people a vision of Eastern Europe in which respect for human rights becomes the norm and not a rare concession to international pressure, where prosperity and advancement replace economic backwardness, and

- more -

openness overcomes barriers to human contacts and economic cooperation. In approaching the problems of the region, United States policy is guided by certain constants: First, we recognize no lawful division of Europe. There is much misunderstanding about the substance of the Yalta conference. Let me state as clearly as I can: There was no agreement at that time to divide Europe up into "spheres of influence;" on the contrary, the powers agreed on the principle of the common responsibility of the three allies for all the liberated territories. The Soviet Union pledged itself to grant full independence to Poland and to all other states in Eastern Europe, and to hold free elections there. The Soviet violation of these obligations is the primary root of East-West tensions today.

A similar misunderstanding exists about the Helsinki Accord. Some argue that Helsinki endorses the status quo, the present division of Europe. We reject this notion. At review sessions in Belgrade, Madrid, and the upcoming session here in Vienna in 1986, we have stated and will continue to insist that the heart of Helsinki is a commitment to openness and human rights.

Let me stress here that the United States does not seek to destabilize or undermine any government, but our attitude toward the region is informed by a sense of history -- of European history. For this reason we support and will encourage all movement toward the social, humanitarian and democratic ideals which have characterized the historical development of Europe. We appreciate the special role of countries such as Yugoslavia and Austria which have contributed so much to restoring historic patterns of trade and communications.

We share with the people of Eastern and Central Europe three basic aspirations; freedom, prosperity, and peace. We recognize the diversity and the complexity of the region. Of Austria's neighbors to the East, some have shown a greater measure of independence in the conduct of their foreign policy. Some have introduced greater openness in their societies, lowered barriers to human contacts, and engaged in market-oriented economic reforms. Others, unfortunately, continue to toe the Soviet line. Their foreign policy is determined in Moscow, and their domestic policies still flagrantly violate the most fundamental human rights.

In our relations with the countries of Eastern Europe, we take these differences into account. Our policy is one of differentiation -- that is, we look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction; and to what degree they foster domestic liberalization -- politically, economically and in their respect for human rights. The United States will engage in closer political, economic and cultural relations with those countries such as Hungary and Romania which assert greater openness or independence. We will strengthen our dialogue and cooperation with such countries.

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We are not saying that countries must follow policies identical to those of the United States. We will not, however, reward closed societies and belligerent foreign policies -- countries such as Bulgaria and Czechoslovakia, which continue to flagrantly violate the most fundamental human rights; and countries such as East Germany and, again, Bulgaria, which act as proxies to the Soviets in the training, funding and arming of terrorists, and which supply advisors and military and technical assistance to armed movements seeking to destabilize governments in the developing world.

Let me stress once more that our hopes for Eastern Europe are peaceful. But we believe that reform is essential. Over the span of many years the United States has provided hundreds of millions of dollars of loans and credits for the Polish economy in the hope that this aid would help build a more plentiful and open society. We cannot, however, be expected to shore up a nation's economy when the government refuses to institute the most basic economic reforms. If countries insist on following the Soviet economic model, even dollars, francs and marcs cannot prevent the certain failure of their economies.

It is by now abundantly clear that highly centralized, command economies cannot fulfill the basic needs of their populations, let alone remain competitive in world markets or keep pace with technological advancement. Just as retarded industrial development relegated much of nineteenth century Central Europe to a backwater of agricultural poverty, there is ample evidence that the unfolding information revolution will sweep past an unprepared Soviet Union and much of Eastern Europe -- unless there is basic change. For example, Hungary's relative prosperity demonstrates the practical, positive results that follow on social and economic liberalization.

The countries of Eastern Europe have a choice to make. They can close themselves off, or they can open up and join the world economy positively, as traders rather than debtors. Think about this: 25 percent of all Soviet farm output comes from private plots that occupy less than 3 percent of the Soviet Union's agricultural land. It's doubtful whether Soviet agriculture could survive without this concession to private enterprise.

Freedom is the essential component of progress -- the freedom of each individual to bring his knowledge and wisdom to bear on the economic decisions that will directly affect his life. This

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requires freedom of information, the free flow of ideas and the free movement of people. We take these freedoms to be fundamental, moral precepts; but they are also practical necessities. If a society revises history to suit ideological needs; if it censors information; if it punishes imaginative and creative individuals and discourages initiative in its people -- that society condemns itself to ignorance and backwardness and poverty.

Just as freedom and prosperity go hand in hand, so, too, are freedom and prosperity linked to peace. I know that the people of Central Europe, who have such an intimate experience of the waste and horror of war, ardently yearn for peace. President Reagan and I and the American people share in your hopes and desires. Our commitment to nuclear arms reduction -- not just arms control, but the reduction of these terribly destructive weapons -- is unshakeable. The United States has already unilaterally withdrawn 1,000 nuclear warheads from Europe. The implementation of the 1979 NATO decision to deploy INF will not increase by even one the number of nuclear weapons in Europe. But while we've been withdrawing nuclear weapons, the Soviets have been engaged in an unprecedented and relentless military buildup in conventional and nuclear arms.

One of the most dangerous and destabilizing new elements is the Soviet Union's monopoly of intermediate-range nuclear missiles -- missiles which can strike any target in Europe within a few minutes. The Soviets have already more than sufficient INF weapons in place to meet their security requirements, and yet they seek to further intimidate the people of Europe by dire warnings of counter-deployments in Eastern Europe should NATO go ahead with deployments in December.

It is our hope that the Soviet leadership will have the courage and vision to reverse their dangerous arms buildup. If they show some flexibility at the bargaining table and a balanced approach is adopted, and agreement in Geneva is still possible before the end of this year. Here in Vienna, at the negotiations for Mutual and Balanced Force Reduction, after many years of stalemate, there are some signs of movement for verifiable reduction in conventional forces in Central Europe.

But a prerequisite for peace is respect for international law. Regrettably, the Soviet Union and most of the Warsaw Pact countries continue to flout the human rights agreements to which they are all signatories. And the world is still in shock from the brutal murder of 269 civilians aboard a commercial airliner which strayed off course and was unlucky enough to pass over Soviet territory.

Let me ask you this question: Would the United States, would Austria, ever wantonly shoot down a commercial airliner? Never. But the Soviets resolutely state they would do it again. These are not

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the actions and words of a civilized system. The European tradition stresses above all things a respect for human life. Those traditions, sadly, are not universal.

What are we to think of leaders who compound such brutal deeds with bald and careless lies and who respond to the just inquiries of the international community with utter contempt? This use of brute force is exactly the kind of Soviet behavior in Eastern Europe that the United States has been protesting for years.

Recognition of the true nature of the Soviet system doesn't make our desire for peace any less strong. If anything, it makes it stronger. But we enter all negotiations with the Soviets with our eyes open. We will never give up in our attempts to use reason and whatever reassurances we can give to persuade the Soviets to truly, constructively join the community of nations. Our desire for peace is strong and unfailing. With your help, with the help of all nations, I'm certain we can make that hope a reality.

I'd like to close with the words of a great Mitteleuropean, His Holiness Pope John Paul II. In just three lines he pointed out the road toward a better future;

Persons over Things
Ethics over Technology
Spirit over Matter.

I have visited four important nations in Central Europe -- nations rich in culture and history; nations with differing systems and perspectives. But in my talks with the leaders and people of these countries, I've become convinced that we all share a common goal -- to heal the wounds that separate us, to remove the artificial barriers which divide us, and to reduce the level of fear and terror in the world through arms reduction.

I come away from Eastern Europe with a strong sense of its diversity, a strong sense of the uniqueness of each country. With some, our ties are already greatly improved -- my visit is one indication of that. But we are not about to write off a single country. We are ready to respond to each to the extent that they are meeting their own people's aspirations, are pursuing their own, independent foreign policy, and are willing to open up to the rest of the world.

I am an optimist. I see a bright future for Central Europe -- a future of peace, prosperity, and freedom. I am positive the barriers will come down and that the desire of our neighbors to the East to once more become a full part of Europe will finally, after many hard bitter years, be fulfilled. In this spirit of reconciliation, we must all work together to make this optimistic vision a reality -- to once again make Europe whole.

Thank you.

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Data-Gathering Efforts Describe As Part of Campaign for Reagan

BY LESLIE H. GELB

Special to The New York Times

WASHINGTON, July 6 — An operation to collect inside information on Carter Administration foreign policy was run within Ronald Reagan's campaign headquarters in the 1980 Presidential campaign, according to present and former Reagan Administration officials.

These sources said they did not know exactly what information the operation produced or whether it was anything beyond the usual grab bag of rumors and published news reports. But they said it involved a number of retired Central Intelligence Agency officials and was highly secretive.

The sources identified Stefan A. Halper, a campaign aide involved in providing 24-hour news updates and policy ideas to the traveling Reagan party, as the person in charge. Mr. Halper was out of town today and could not be reached. But Ray S. Cline, his father-in-law, a former senior Central Intelligence official, rejected it all as a "romantic fallacy."

Investigations Under Way

The disclosure was the latest development in a furor over revelations that Reagan campaign officials came into possession of Carter debate strategy papers before a debate between the two candidates. The matter is now being investigated by the Federal Bureau of Investigation and a Congressional committee.

Mr. Halper nominally worked for Robert Garrick, the director of campaign operations, who said in a telephone interview recently that Mr.

Halper was "supposed to help with communications, but I kind of thought he had another agenda going — he was always on the phone with the door closed, and he never called me in and discussed it with me."

Responding to inquiries about the gathering of information in the campaign, a high Reagan Administration official said there was a memorandum from a junior campaign official to several senior Reagan campaign aides citing the need for information from within the Carter Administration on foreign policy decisions. The official said

Mr. Halper was not the junior official. CBS News reported tonight that Edwin Meese 3d, a top Reagan campaign aide, now the President's counselor, denied seeing a campaign memorandum from a volunteer, identified as Dan Jones, suggesting that there was a secret agent inside the Carter Administration. CBS News reported that the memorandum had been addressed to James A. Baker 3d and William J. Casey, prominent officials in the Reagan election effort.

Speaking of Mr. Halper, David Prospere, a Reagan campaign aide, now with Superior Oil Co., said, "He provided us with wire stories and Carter speeches, but people talked about his having a network that was keeping track of things inside the Government, mostly in relation to the October surprise."

The Reagan campaign team used the term "October surprise" to refer to the possibility that President Carter might take some dramatic action with regard to the hostage situation in Iran or some other action to try to turn the tide of the election.

Mr. Casey, now the Director of Central Intelligence, who was Mr. Reagan's campaign director, said in an interview Tuesday that this was of special concern to Reagan strategists. He said Mr. Garrick had spoken of using retired military officers to watch military airfields for the dispatching of hospital aircraft for the hostages.

A source from the Reagan campaign who asked not to be named said, "There was some C.I.A. stuff coming from Halper, and some agency guys were hired." He added that he was never aware that this information was particularly useful and that he and others had their own sources within the Administration who provided unsolicited information.

Receipt of Security Papers

The same source said Richard V. Allen, Mr. Reagan's chief campaign foreign policy adviser and his first national security adviser, received classified National Security Council documents from a Carter Administration official. Mr. Allen has previously acknowledged that he received material which he described as "innocuous" and dealing with morale on the N.S.C. staff..

According to the sources, Mr. Halper worked closely with David R. Gergen on the staff of George Bush when Mr. Bush, was seeking the Republican Presidential nomination. The sources said that Mr. Gergen, Director of White House Communications, and Mr. Baker, another top Bush campaign aide and now an assistant to Mr. Reagan, brought Mr. Halper onto the Reagan campaign staff after the Republican convention.

Mr. Bush was director of Central Intelligence under President Ford and former Bush aides said today that many former C.I.A. officials offered their help in the Bush campaign effort. The former aides said that Mr. Bush himself was against anything that might smack of "C.I.A. support."

No Response From Gergen

Mr. Gergen declined to return several telephone calls. Instead, he telephoned Mr. Cline, Mr. Halper's father-in-law, and Mr. Cline contacted The New York Times.

Later, a source close to Mr. Gergen telephoned to say that Mr. Gergen was "unaware of any organized intelligence operation of the kind described, but that he was aware that Mr. Halper was working on issues and the development of information for the campaign."

The source added, "There was definitely no reporting relationship to either Gergen or Baker during the campaign effort."

Mr. Cline said Mr. Halper was on a "special staff to analyze campaign issues, just as he did in the Bush campaign, and that he was responsible for looking for booby traps and studying what Carter people were saying to look for vulnerabilities."

He added: "I think this is all a romantic fallacy about an old C.I.A. network. I believe I have been close enough to the intelligence community for the last 40 years that I would have discovered it. Such an effort would not have been worthwhile and I believe it was not executed. That does not mean that some individual or individuals didn't do something, but there was not a deliberate effort to penetrate" the Government.

Mr. Halper's personal secretary, who now works at the White House, was reached at her home through the White House switchboard, and when asked about an information gathering network run by Mr. Halper in the campaign, she hung up. White House operators then said she was "unavailable."

None of the sources said they knew of any relationship between Mr. Halper

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARFOR RELEASE: 12:00 noon, EDT
Friday, June 17, 1983CONTACT: Shirley Green
Meredith Armstrong
202/456-6772REMARKS BY VICE PRESIDENT GEORGE BUSH
BEFORE THE NATIONAL PRESS CLUB
WASHINGTON, D.C.
FRIDAY, JUNE 17, 1983

Good afternoon ladies and gentlemen. It's a pleasure to be back before the National Press Club not only to speak to you on a subject of serious national concern but to also convey a message to those Americans who are listening to this program over National Public Radio and Cable News Network.

In 1983 millions of Americans will spend approximately \$100 billion on illicit drugs. The overwhelming majority of that total will be spent on cocaine, marijuana and heroin. This is a staggering total that is diverted from the nation's legitimate economy and put into the hands of drug dealers and traffickers. When users look at cocaine and heroin and marijuana, they see a drug that is white or green or even brown. Well, they're wrong. The color of those drugs is red -- blood red. Because that's what the drug business is in the United States, the most deadly and dangerous criminal activity known.

Drug trafficking and all of its attendant activities not only threaten the social fabric of a large portion of our people and the stability of various regions in our nation, but also foster a multitude of other illegal activities including murder, public corruption and corrupt banking practices. Drug profits are so great that the personal risks to the men and women who enforce our nation's narcotics laws have grown dramatically and dangerously over the past five years. The profits of drug criminals are so staggering that the most sophisticated planes, boats and electronic intelligence equipment are employed to avoid apprehension.

The criminal cast involved in this deadly business has a substantial financial advantage over numerous law enforcement agencies especially local law enforcement agencies. And this advantage is used for one reason -- to avoid arrest and prosecution. To counteract this national curse, the Reagan Administration is determined to use every available resource. We are determined to employ not only all of the law enforcement agencies, but the United States military and our nation's intelligence community. To date, we have made significant progress. But let's be realistic, there is

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much, much more to be done in the war against drugs.

Last year President Reagan announced a federal strategy for the prevention of drug use and drug trafficking. He divided the problem into five areas: first, International cooperation, second, drug law enforcement, third, education and prevention, fourth, user treatment and finally research. While we are making considerable progress in each of these areas, today I would like to direct my remarks to the law enforcement aspect of our national strategy, and announce the kickoff of an important new effort.

In February of 1982, I announced in Miami, Florida the establishment of the South Florida Task Force. The President asked me to lead this multi-agency effort against the criminal element that had virtually taken over and terrorized the Miami metropolitan area. Miami, once a vacation paradise for millions of Americans, became the playground for cocaine cowboys and thousands of other criminals involved in drug trafficking. The situation was critical and demanded a major federal law enforcement response. In a very brief period of time we sent to South Florida additional federal judges, more prosecuting attorneys and hundreds of additional law enforcement personnel. We beefed up the U.S. Coast Guard, solicited and received help from the Defense Department including the Navy, the Army, the Air Force and the Marines. We intensified our diplomatic initiatives which resulted in improved cooperation with the Bahamian government and some of our Latin American friends. The results have been gratifying but we are by no means satisfied.

The record shows that in South Florida, we have made progress not only in terms of combating crime and thwarting the efforts of drug smugglers, but also in terms of improving the morale of the people of the area. We have brought them hope for the future especially as it relates to the quality of life in Miami and the surrounding areas.

In February 1981, a public opinion survey taken by Miami business leaders asked this question: "Are you seriously considering moving out of the area because of the crime and drug problems?" Thirty-nine percent of the respondents said they were. The same poll was taken in February of this year and only nine percent said they were considering leaving. This is a tremendous improvement in people's attitude toward their community's future. Much of this change, this mood of optimism, can be attributed to the work of the dedicated men and women assigned to the Task Force.

While the war on narcotics continues in South Florida, there is impressive evidence that we are making solid progress. Drug arrests are up 27 percent. Marijuana seizures are up 23 percent. Cocaine seizures are up 54 percent. In the past fifteen months we have seized nearly three million pounds of marijuana and more than

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17 thousand pounds of cocaine in and around the South Florida area. The street value of those drugs is about \$5 billion.

No one can, or will deny that too many drugs are still coming into the United States. But we have demonstrated an ability to make life difficult for the drug smuggler and the drug dealer. In addition to seizure efforts, we have launched financial investigations that not only confiscate money, but take away assets -- the planes and ships, cars and safe houses -- the basic infrastructure for drug organizations to operate effectively. Many of these investigations have been highly successful. We plan to do more. We will increase the heat and bring up the pressure.

I noted with interest this week that the Government Accounting Office issued its final report on federal drug interdiction efforts. I was pleased that the report gives our efforts in South Florida good marks. Many of the drug problems addressed in the GAO report are the very same problems that we have attempted to solve through our South Florida Task Force. They include the need for improved coordination and cooperation among all law enforcement agencies -- federal, state and local, the necessity for improved intelligence and the obvious need for more assets. The report accurately points out that our efforts in South Florida have caused disruption in the smuggling patterns and smuggling routes of traffickers, especially those operating out of the Caribbean, Central and Latin America. As a result we have witnessed an increase in drug smuggling up and down the Atlantic Coast, in the Gulf of Mexico, across the Mexican border and into California. While we have watched the changing tactics and innovations of the drug smugglers, we have laid careful plans to counteract these bold new criminal measures.

On March 23 of this year, the President announced the establishment of the National Narcotics Border Interdiction System, a bi-partisan, permanent program to protect our borders. The NNBIS will be operating in every region of the nation. It will utilize the general principles and the most successful interdiction techniques of the South Florida Task Force in order to buttress our national drug deterrence effort.

Today I am announcing the establishment of five new regional centers in addition to the one already operating in Miami. Each office will have a regional coordinator and deputy coordinator from Customs or Coast Guard. In the northeast the regional center will be responsible for interdicting drugs from the American/Canadian border at Erie, Pennsylvania, up to and around Maine and down to the Maryland/Delaware border. The regional center will be located in New York City.

In the southeast we are expanding the responsibility of the

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South Florida Task Force. It will extend up the east coast to the Maryland/Delaware border and up the west coast of Florida to about Apalachicola. Miami will remain the center for this region.

The Gulf region will run from Apalachicola to Brownsville, Texas and New Orleans will be the regional center.

The southwest border region will extend from Brownsville, Texas to the Colorado River and the regional center will be El Paso.

On the west coast, the region will include the coast of California, Oregon and Washington, in addition to Alaska, Hawaii and the waters of the Pacific. The regional center will be located in Long Beach, California.

Finally, the north border region will run from the state of Washington to Erie, Pennsylvania and the center will be located in Chicago.

There are unique enforcement problems in each of those areas. The most serious drug trade in the northeast is the smuggling of heroin, especially in the port city of New York. The smuggling tactics used there are completely different from those utilized in South Florida. Heroin is smuggled in very small amounts, concealed in ship containers, aircargo, or carried personally by individuals. Counteracting heroin smuggling requires manpower-intensive operations by undercover agents and substantial assistance from the highly skilled local police of New York City. The key to heroin detection, however, is improved intelligence. Improved intelligence is necessary in all major port cities where the detection of illegal drugs is extremely difficult. The other major drug threat in the northeast comes from what are known as "motherships" -- ships laden with tons of marijuana that weave their way north, up the east coast of the U.S. from Colombia. In this area the interdiction efforts that we have found so successful in South Florida will be fully utilized.

We will use Navy patrol planes out of Brunswick, Maine and Navy ships out of Newport, Rhode Island. They will be coordinated with Coast Guard cutters and Coast Guard and Custom aircraft and Navy radar planes.

In the southeast region, which includes South Florida, we will continue to attack the problem with the combined forces of the Army, Navy, Air Force and the Marines in cooperation with U.S. Customs, the Coast Guard and additional assistance from DEA aircraft.

In the Gulf region, marijuana ships penetrate the Yucatan by staying close to the Coasts of Mexico and Cuba. Aircraft also

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penetrate the Gulf Coast on flights from Colombia and Central America. To determine the extent of smuggling efforts in the Gulf region our operations are designed to determine the flow of traffic on the sea and in the air. Our tactics for interdiction and the force required to stop it may be similar to those forces used in South Florida.

On the southwest border, we have recently detected an increase in the smuggling of brown heroin and a vastly improved grade of marijuana along with overflights of this border by cocaine smugglers. Our efforts will first focus on detecting smugglers who literally walk or drive over isolated areas of the border, in addition to detecting U.S. aircraft flying South to load up with dope for return flight to the United States. We will also move surveillance assets to cover the low altitude routes to interdict the larger aircraft flying drugs from Colombia. Our interdiction battle in this region will be supported by airborne radar, Marine Corps interceptors and helicopters manned by law enforcement officials who will make the actual arrests.

The west coast represents our most difficult and challenging tactical problem. Ships carrying Thai sticks, a very high grade of marijuana, work their way across the Pacific on great circle routes and approach the west coast from the North. Marijuana grown in Hawaii or other drugs transshipped through that island state find their way to the mainland from the west. An increased flow of cocaine and marijuana from the west coast of Colombia approaches the United States from the south and much of the cocaine that gets into Florida is driven across country in trucks and cars approaching the west coast from the east. So you can see that we have a threat from 360 degrees that includes all types of drugs, in every conceivable kind of conveyance. To address this problem we can rely on many of the tactics we used in South Florida, that is radar aircraft, patrol planes, surface vessels and certainly improved intelligence.

On our northern border the trade is mainly heroin. It's first smuggled into Canada and then moved into the United States. We will be working closely with Canadian authorities to improve our detection capabilities along this extensive land mass.

Operations have already begun in each region. It's happening now.

The National Narcotics Border Interdiction System will work in unison with the Attorney General's twelve Organized Crime Task Forces that the President established in January of this year. The primary goal of the Attorney General's efforts is to bring to justice the men and women at the highest levels of drug and other criminal organizations. Last week the GAO report criticized our efforts because of the lack of success in this area. Let me just

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say that criminal conspiracy cases take time to develop, and the Godfathers of major drug organizations are highly insulated. The investigation, apprehension and prosecution of these individuals take time and tedious effort. But the Attorney General's resolve in this area will not be broken and I can assure you that the interdiction efforts that I have announced today will be completely coordinated with the Attorney General's Task Forces. Our efforts will be mutually supportive and by closer coordination and cooperation, we will begin to close the existing gaps in our fight against drug trafficking.

I want to make one final announcement. In each of our regional headquarters, we have established as of today an operations information center. These centers will have highly skilled professionals assigned from all of our agencies including the FBI, the DEA, Customs and Coast Guard, the Army, Navy, Air Force and the Marines, the Immigration and Naturalization Service and the intelligence community of the United States. We will gather and analyze intelligence. We will assess the local threat. We will assign priorities to interdiction targets, identify our resources, recommend the most effective action to be taken and provide all coordination for joint special operations.

With the assistance of Defense Secretary Weinberger, we will bring more military support to our cause. With the help and support of CIA Director, Bill Casey, and the entire intelligence community, we expect to be better informed and more knowledgeable regarding the actions and activities of smugglers in order to position our resources in the right place at the right time.

We in the Administration are not unaware of the difficulty of our task. But our efforts are both innovative and substantial. The use of United States military resources provides us with an imposing presence in the air and especially on the high seas. The cooperation and coordination of the intelligence community is another arrow in our quiver. But despite all of these things, we must recognize that the thousands of men and women employed in this massive effort need the assistance and support of an aware and alarmed citizenry. The economic cost and the social destruction is too grave for this nation to conduct business as usual in the war against drugs.

The President and members of his Administration fully recognize the threat. Despite the resources that we have brought to this cause, we need leadership, understanding and guidance from parents and community leaders and from public officials throughout the country. No one agency, no one department, state or region can successfully win the battle alone. We must all work together to make a real impact against this insidious threat to our country. While we ask for your patience and your understanding, more

Thank you very much.

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UNITED PRESS INTERNATIONAL
17 June 1983

By JUDITH DUGAN
WASHINGTON
Bush

Vice President George Bush, denying charges that U.S. anti-drug efforts are fragmented and inefficient, announced Friday he will coordinate the activities of five new regional task forces aimed at intercepting illegal drugs.

Bush said he will call on the CIA and all branches of the military for the regional effort, modeled on an experimental drug task force in South Florida. The Justice Department will continue to have responsibility for prosecution of drug smugglers.

"We don't think a drug czar is the answer" to problems of coordinating national anti-drug efforts, Bush said at a National Press Club luncheon. He said the White House would not appoint one person to be in charge of national anti-drug efforts, despite a recommendation to that effect by the General Accounting Office.

A GAO report this week said U.S. drug enforcement efforts were burdened by inefficiency and lack of central authority.

"We feel the vice president's office is better for coordination," said Bush during a question and answer session.

In his speech, Bush said that "to counteract this national curse" of narcotics smuggling, "the Reagan administration is determined to use every available resource."

"We are determined to employ not only all of the law enforcement agencies, but the United States military and our nation's intelligence community."

New regional offices to direct the war on drugs will be located in New York City, New Orleans, Chicago, El Paso, Texas, and Long Beach, Calif., Bush said.

"In 1983, millions of Americans will spend approximately \$100 billion in illicit drugs," Bush said, with the overwhelming majority of the money going for cocaine, marijuana, and heroin.

Bush said that significant progress has been made by the South Florida Task force against the "criminal element that had virtually taken over and terrorized the Miami metropolitan area."

But, he added, "Let's be realistic, there is much, much more to be done in the war against drugs."

Bush said the five new regional centers will be in addition to the one already operating in Miami. Each will have a coordinator and deputy coordinator from Customs or the Coast Guard.

He said the regional headquarters will have highly skilled experts from all the agencies, including FBI, the military services, the Immigration and Naturalization Service and the CIA to gather and analyze intelligence to assess "the local threat" and to undertake joint actions.

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17 June 1983

WASHINGTON

Drugs

Vice President George Bush today said today the administration would use the CIA as well as military forces in its battle to halt drug trafficking across U.S. borders.

In a speech to the National Press Club, Bush said the administration has set up five new drug interception centers across the country modeled on the successful South Florida drug task force established in Miami last year.

Like the Florida force, the new centers are designed to coordinate activities of various federal and local law enforcement agencies in an effort to disrupt the burgeoning and very lucrative drug trade across U.S. land and sea borders.

Bush described the drug problem as a "national curse," noting that this year alone, Americans will spend over \$100 billion on such illicit drugs as marijuana, cocaine and heroin smuggled into the country by sophisticated and well-financed drug rings.

"The criminals have a substantial financial advantage over the law enforcement agencies, but our administration is determined to use every available resource against them, including the military and the intelligence services," he said.

Under strict guidelines adopted in the mid-1970s, the CIA is specifically barred from conducting surveillance or other intelligence activities within the United States.

Bush said the CIA would adhere to those guidelines and as part of the drug control program. He said the agency has been working abroad to provide information on drug traffickers and would continue to do so.

The vice president added domestic law enforcement agencies, such as the FBI, are involved in undercover drug intelligence and surveillance activities within the United States.

"We have to have somebody around to do it, and under the proper guidelines, I am strongly in favor of it taking place," he said.

In response to questions, Bush said there is no evidence Nicaragua's Marxist government has been using illegal drug money to finance revolutionary activities.

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17 June 1983

CRIME/DRUG
TASK FORCES

MUDD: Meanwhile, the administration announced today what it called a major expansion of its program against drug smuggling. Robert Hager has the story. HAGER: More than a year ago, the administration set up a federal task force in Miami to stop drug smuggling. Extra federal agents were sent in. The Navy helped out for a while with some radar planes. The Army loaned some helicopters, and it seemed to work. Smuggling from the Caribbean and South America through Florida decreased. But elsewhere, it increased, as smugglers evidently diverted up the East Coast to the Gulf Coast, across the border from Mexico and to California. So today, Vice President Bush said the federal government will go where the smugglers have gone. BUSH: Today I am announcing the establishment of five new regional centers in addition to the one already operating in Miami.

HAGER: A task force in New York will watch the Northeast Coast, and particularly for heroin shipments through New York City. Another in New Orleans will patrol the Gulf Coast. Another in El Paso will deal with the big increase in marijuana and in brown heroin coming across the border from Mexico. Another in Chicago will watch the Canadian border. And the other task force in Long Beach, Calif. will be watching for Asian shipments as well as those from South America. Each new task force will have about 19 agents transferred from other drug enforcement posts. The vice president also said the CIA will provide information on foreign smuggling operations. BUSH: (Inaudible) ...We better encourage CIA to have as its, one of its prime objectives helping the national effort in terms of drug interdiction.

HAGER: But the Democratic chairman of one House committee looking into all of this says so far, there's been a lot more rhetoric than action. Robert Hager, NBC News, Washington.

THE VICE PRESIDENT

OFFICE OF THE PRESS SECRETARY

~~FOR RELEASE: 10:00 p.m.~~
~~Tuesday, May 24, 1983~~~~CONTACT: Shirley Green~~
~~202/456-6772~~

ADDRESS BY VICE PRESIDENT GEORGE BUSH
~~AT THE VETERANS OF THE OSS DINNER AND~~
~~AND PRESENTATION OF THE WILLIAM J. DONOVAN AWARD~~
~~TO THE HONORABLE RICHARD HELMS~~
~~WASHINGTON HILTON HOTEL~~
~~WASHINGTON, D.C.~~
~~TUESDAY, MAY 24, 1983~~

Thank you, Bill. Good evening. I'm honored to be here tonight participating in this ceremony, because I can't think of anyone who deserves the Donovan award more than Dick Helms. Having inherited his job at CIA -- if only for a short time -- I gained a real respect and admiration for the magnitude of Dick's accomplishment over there.

Not many of you may know that before Dick got into intelligence, he was working for the other side -- the press. In the thirties, Dick was a correspondent for UP in London and later, Berlin, where he observed first hand the developments in the Nazi government. He was even able to get a personal interview with Adolph Hitler. I hear tell that this meeting was mentioned in the so-called Hitler diaries, although the scholars apparently became suspicious when the diaries referred to Dick as the future director of the CIA.

Anyway, Dick joined up early with Wild Bill Donovan's OSS, organizing intelligence networks from his vantage point in England and other stations throughout Europe.

Still serving in the OSS after the war he closely observed Soviet methods and intransigence in Germany and Berlin. What he learned then made Dick Helms decide to stay on in Government service. He became convinced that the United States would face many threats in the post-war world, and he realized that effective intelligence was vital if the democratic societies were to be able to defend themselves against those threats.

It's hard to imagine now, but in 1940 and 41, Bill Donovan was a one-man CIA for Franklin Roosevelt. The OSS was brought into being in great part simply through the force of Donovan's determined personality.

Well, after World War II, it took other forceful personalities to define the role of our intelligence service in a very different, but equally threatening world situation. One might even say that with the introduction of nuclear weapons into the equation, the situation became even more threatening than it had been in the past. Dick Helms was instrumental in helping define that role. He has dedicated a good part of his life to the development of an agency that is second to none in intelligence gathering and analysis. But just as important, one that could exist within a free and democratic society.

It has been said that the role of secret intelligence in a democratic society will always be an uncomfortable one. Secrecy is not what democratic societies are all about. They're about free and open discussion, the free and open exchange of ideas and information.

Unfortunately, there are certain unpleasant realities that we can't ignore. We must live in a world made insecure by international terrorism and expansionist totalitarian powers.

But the CIA can be very proud of the fact that at the same time that it is working tirelessly to protect American freedoms from foreign threats, it is fastidious in respecting the laws of the land. The CIA is conscientiously upholding the law, safeguarding the rights of American citizens.

I was asked at a press conference the other day how, as a politician, I would justify to the American people being head of the CIA. I said that I wear my directorship of that organization as a badge of honor. I've always considered my service there as an asset rather than a liability, and I'll feel that way till the day I die. I don't think I'd be standing here in this job right now if the American people felt any differently. I think they want a strong intelligence service. I think anybody realizes that in a world as troubled as this you need the best possible intelligence.

I'm proud of the time I was in the CIA, because I'm proud of the men and women who serve there. I can't praise highly enough the academic excellence of our intelligence community, and the commitment of these people who have put in a lifetime of service to their country -- many of them anonymously. They never get to sit at the head table; they never see their names up in lights. But all of us are profoundly grateful that these extraordinarily talented and dedicated people have sacrificed their place in the sun so that the rest of us may live secure in our freedom.

I've been doing a lot of traveling recently, and my sense of things is that the post-Vietnam, post-Watergate inclination to tear down our intelligence agencies is behind us now. I think we

all realize that we must build on what we have, and that we must give our intelligence community the support it needs to enable it to get its job done.

You know, just one indication of how essential our intelligence has become in this world is that we couldn't even begin to think about arms control if we didn't have a CIA and an intelligence community to check up on the other side to make sure they're playing by the rules. A negotiated settlement on strategic weapons must ultimately rely on intelligence for its verifiability.

There are some things I think and some things I know, but one thing I know is that the President is deeply, fervently committed to arms control. I sit with him and he tells me of his hopes and fears for our future generation. But weakness in the face of a totalitarian adversary never made the world a safer place. Bill Donovan knew that, just as Winston Churchill and Franklin Roosevelt knew it. That is why the President has put so much emphasis on getting the MX program passed through Congress. This Administration has made it a top priority to redress the imbalance that has existed in both conventional and nuclear forces, because only by having the strength to endure war can we gain a lasting peace.

We will take every opportunity to negotiate a verifiable reduction in arms. But we will never again, as we did over the last decade, permit our armed forces to be downgraded in the vain hope that the Soviets will follow our example.

Any treaty has to insure equal and fair reductions on both sides. It is an interesting fact of public perception that this Administration's commitment to arms control is called into question, because it is under President Reagan that for the first time we are actually negotiating with the Soviets on arms reductions. Every treaty in the past has only put limits on arms build-ups.

Well, I look at the CIA as a kind of preventative medicine. The objective is to keep the peace by keeping ourselves informed and our national security apparatus strong and healthy; that way it won't become necessary to fight a war, as it did almost a half-century ago, because we have grown weak or because an enemy misjudges the firmness of our resolve.

Maybe there will come a time in the future when the world will be a happier place, free from the threat of nuclear war and no longer torn by international hostilities. When that time comes, it will be in no small measure due to the dedication and selfless service of men like Dick Helms who have devoted their lives and invested their great skills and imaginations in creating an intelligence agency of unparalleled professionalism and expertise -- and in the process making this a safer and more peaceful world for all of us.

UNITED PRESS INTERNATIONAL

Approved For Release 2001/12/05 : CIA-RDP91-00901R000100020001-7

MIAMI

Bush

Vice President George Bush is blasting senators who object to U.S. aid to El Salvador, and says America must continue to defend democratic nations against outsiders who "stir up dissension."

"I'm confused why some of the senators don't see what is at stake in El Salvador," he said during a visit Monday. "We simply must not let a friend be taken over by a small group from outside."

El Salvador has gone to the polls and has chosen its leaders, "So why should we negotiate with a bunch of guerrillas?" he said.

"Nicaragua doesn't like it, but that's too darn bad," he added.

Bush spent half of the day in Miami examining drug interdiction facilities and mingling with customs, military, treasury and drug enforcement agents.

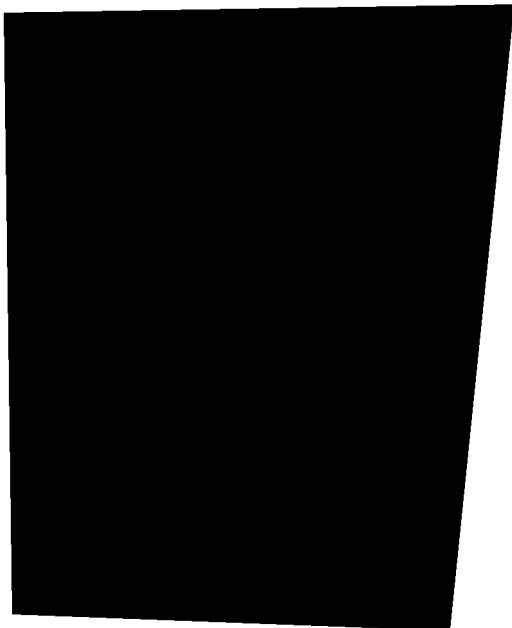
He described Reagan's foreign policy as a vast improvement over the "disarray" of the Carter administration, and cited evidence of economic recovery.

Bush praised Reagan's policies on Central America, Radio Marti, the Central Intelligence Agency and the Senate investigation into Cuba's role in the American drug trade.

EXCERPTED

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STATINTL



Approved For Release 2001/12/05 : CIA-RDP91-00901R000100020001-7



THE VICE PRESIDENT
WASHINGTON

March 9, 1983

Revol 11 Mar
Executive Registry
83-1360

The Honorable William Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Bill:

Our recently completed trip to Europe was, I believe, a successful one. The strong support I received from the Agency contributed significantly to the success of this trip, and in this letter I would like to mention specifically those who were so helpful to me.

25X1A

25X1A

[REDACTED] came to my residence and gave me an excellent briefing on arms control issues. The following week, [REDACTED] and [REDACTED] were equally helpful in talking about the major political issues I would encounter in my main European stops.

25X1A

25X1A

In addition, you sent down to me several supplemental papers on developments in the USSR which were very helpful in setting in clear perspective the role the Soviets sought to play in influencing the INF issue. Those directly concerned were [REDACTED] and [REDACTED]

25X1A

25X1A

25X1A

During the trip, we received excellent daily support cables, including both overt press reaction and classified material from Agency sources. [REDACTED] and [REDACTED] were responsible for these.

25X1A

Finally, [REDACTED] along with [REDACTED], were responsible for preparing the two briefing boards on Soviet INF deployments which I found so useful. I am sending to Bob Gates four signed pictures which show me using these charts in a press conference in Berlin. They were of equal use at several stops along the way.

25X1A

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- 2 -

Please convey to each of the people I have named my personal thanks. What they did for me is in full keeping with the proud traditions of the Agency upon which I rely so heavily.

Sincerely,

George Bush

PARIS

Barbie-Bush

Vice President George Bush today said the United States was delighted Klaus Barbie had been brought back to face a French court despite reports the former Nazi had worked for U.S. intelligence after World War II.

Bush was asked at a Paris press conference about reports Barbie had been paid to spy in East Europe by U.S. military intelligence in the late 1940s and that he later received U.S. protection.

Bush, a former head of the Central Intelligence Agency, replied that the United States was deeply offended by inhumanity and brutalization during World War Two and that "the United States will continue to be in the forefront of countries concerned about war-related crimes."

"We were delighted that through the legal system this man is being brought to justice and under French justice will be accorded a fair trial," Bush said.

Barbie, twice convicted of war crimes in his absence, was brought back from Bolivia to France Saturday to face charges of crimes against humanity.

UNITED PRESS INTERNATIONAL,
6 February 1983

REAGAN REASSURES ITALIANS ON PAPAL PLOT PROBE
WASHINGTON

The White House told Vice President George Bush to reassure leaders that President Reagan supports their probe into the alleged plot to kill the Pope, even if the trail leads to Soviet leader Yuri Andropov, NBC News reported Sunday.

NBC, on its evening news, said Bush, during his visit to the American embassy in Rome Sunday, also was charged with stopping "all leaks, principally from CIA officials, that tended to dishearten the Italians and discourage the investigation."

Following the report, a White House spokesman said Reagan last month publicly stated the U.S. position on the probe, expressing "full confidence that the investigation is in capable hands, that the Italians are carrying out a rigorous investigation."

"The various reports in this country that the U.S. is encouraging or discouraging the investigation just are not true," spokesman Mort Allin said. "We think the Italians should proceed without people prejudging them. The fact is they are carrying it out and you accept the results of the investigation."

Allin said the topic of the probe "certainly is expected to come up during Vice President Bush's meetings with Italian leaders, but he simply is stating U.S. policy in this matter."

A U.S. embassy spokesman in Rome said most of Bush's time Sunday was "private time" with a few meetings with Italian leaders at the embassy. He said no details of the meetings would be disclosed.

Allin said the White House would have no comment on stories regarding the leaks.

"There have been stories the last couple of weeks that U.S. government officials have been putting a little bit of cold water on the whole story," he said. "We're just not taking a position. The Italians will make the decision on the outcome of the whole investigation."

NBC said leaks from CIA officials in Washington appeared in the New York Times, the Los Angeles Times and the Wall Street Journal this past week, stating that Mehmet Ali Agca, the Turk who tried to kill the Pope, was "crazy," and therefore neither the Bulgarians nor the Russians would have used him.

"But on this point, either the CIA is badly informed or chooses for whatever reason to badly inform the public," NBC correspondent Marvin Kalb said, "because the evidence suggests Agca was anything but crazy."

NBC quoted Roman magistrate Severino Santiapichi, who said in on the early interrogations, as saying "all the interrogations of Agca revealed a lucidity."

CONTINUED

RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR PUBLIC AFFAIRS STAFF

25X1A

PROGRAM NBC Nightly News

STATION WRC-TV
NBC Network

DATE February 6, 1983 6:30 P.M. CITY Washington, D.C.

SUBJECT Probe of Assassination Attempt

CHRIS WALLACE: George Bush is in Italy tonight, continuing his trip through Western Europe to sell the Reagan nuclear arms policy. But on this stop, NBC News has learned that the Vice President has a secret mission, to tell Italian leaders to continue their probe into the shooting of Pope John Paul, even if that investigation ends up involving the Soviet Union.

Diplomatic correspondent Marvin Kalb reports.

MARVIN KALB: It is not on the Vice President's public agenda, but we've learned he's been instructed by the White House to assure anxious Italian leaders that President Reagan fully supports their controversial investigation into the papal plot, even if the trail leads to Soviet leader Yuri Andropov.

During his visit to the U.S. Embassy in Rome today, Bush had a related chore, to stop all leaks, principally from CIA officials, that tended to dishearten the Italians and discourage the investigation. Similar leaks from CIA officials in Washington flooded the New York Times, the Los Angeles Times, and the Wall Street Journal this past week, stating, among other things, that Mehmet Ali Agca, the Turk who tried to kill the Pope, was crazy; and therefore neither the Bulgarians nor the Russians would have used him. But on this point, it seems that either the CIA is badly informed or chooses, for whatever reason, to badly inform the public, because the evidence suggests Agca was anything but crazy.

Severino Santipichi, the Roman magistrate who sat in on the early interrogations:

RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Channel 4 News Live at 11:00 STATION WRC TV

DATE February 6, 1983 11:00 PM CITY Washington, DC

SUBJECT Investigation Into Papal Plot

BARBARA HARRISON: NBC News reports tonight that Vice President Bush's visit to Rome includes a secret mission regarding the attempted murder of Pope John Paul-II. Italy was one of the stops on Bush's 7-nation tour to bolster support of US nuclear arms policies.

But NBC News has learned Bush has other orders from the White House. He's to assure anxious Italian leaders that President Reagan fully supports their controversial investigation into the papal plot, even if the trial leads directly to Soviet leader Yuri Andropov.

Bush also has to stop all leaks, mainly from the CIA, that tend to discourage the investigation. Reports of leaks from CIA officials flooded US newspapers during the past week.

ARTICLE APPEARED
ON PAGE 1-3CHICAGO TRIBUNE
6 FEBRUARY 1983

CIA reportedly can't tie KGB to Pope shooting

By James Coates

Chicago Tribune

WASHINGTON—President Reagan's proposal for a meeting with Soviet leader Yuri Andropov to sign a nuclear missile agreement came last Monday only after CIA officials said they did not have any conclusive proof that the Soviet Union engineered the 1981 shooting of Pope John Paul II, according to U.S. government sources.

During briefings about the Pope's shooting for the White House and Capitol Hill, some CIA officials compared the situation to the confusion over a possible Soviet role in the 1963 assassination of President John F. Kennedy, the sources said.

The briefers repeatedly emphasized that their conclusions are being drawn primarily from results obtained by an Italian court investigating the shooting of the Pope, rather than from United States agents here and abroad.

Although the Italian investigation has not yet been concluded, a number of U.S. officials have indicated that American intelligence agencies doubt the Italians will produce conclusive proof of any association between Mehmet Ali Agca, the Pope's assailant, and the Soviet secret police.

INFORMED SOURCES with access to some of the briefings said Vice President George Bush discussed the attack on the pontiff with the CIA's Rome station chief and other experts before traveling to Europe last week.

President Reagan's proposal to Andropov came in an open letter which Bush read in West Berlin.

Italy's Defense Minister Lelio Lagorio implied in December that the Bulgarian government was involved in the shooting of the Pope. There has been international speculation that the Soviet KGB worked in collusion with Bulgarian authorities in what has been called the plot to kill the Pope.

Sen. Alfonse M. D'Amato (R.N.Y.) said last September that he was "convinced that the Soviet KGB had full knowledge of and at least tactically supported the plot." D'Amato, a conservative, said it was "quite apparent that the Soviets would have liked to rid the Vatican

of the Polish Pope."

Both Bulgaria and the Soviet Union have denied any involvement in the assassination attempt.

If Soviet involvement in the shooting were proved, it could destroy vital East-West economic and political links and disrupt everything from U.S.-Soviet trade to arms control.

Sources said the CIA briefers indicated that a "chain of circumstantial evidence" leads from Agca to the Bulgarian secret police.

The sources noted that Bulgarian officials recently took several steps to defuse speculation that their secret police set up Agca's attack for the KGB.

FOR EXAMPLE, authorities in the Bulgarian capital of Sofia allowed a New York Times reporter to interview Bekir Celenk, a Turk wanted by Italy on complicity in the assassination attempt. Celenk said in the interview that he has never met Agca.

Italian newspapers have reported that Celenk offered Agca \$1.25 million to shoot the Pope. The reports are unconfirmed.

Bulgaria placed Celenk "under government control" in Sofia in December after the newspaper reports were published. On Tuesday, a Bulgarian prosecutor said Celenk has been released from detention but has not been allowed to leave the country until the Italian inquiry is completed.

At the same time, Bulgarian authorities deny that their country had any dealings with Celenk.

A SIMILAR suspicion of Soviet involvement occurred in the wake of Kennedy's assassination after it was disclosed that Oswald had gone to the Soviet Union in 1959 and offered to provide the KGB with details learned as a radar technician at a U-2 spy plane base in Japan.

But, as the CIA briefers have noted in current sessions about the Pope's shooting, there was enough doubt in the Kennedy case to keep the U.S. from ever formally charging that the KGB was involved in the assassination.

The experts emphasize that the current situation involving the Pope contains similar doubt.

ARTICLE APPEARED
ON PAGE C-1

THE WASHINGTON TIMES
2 February 1983

COMMENT

ARNOLD BEICHMAN

The CIA, Andropov and possible papicide

What is going on with the White House, the CIA, the Soviet KGB, Italy, Bulgaria, Turkey — and Yuri Andropov, as the suspect in the Case of the Pope's Assassin?

Something is going on and my "scenario" may explain the strange lassitude exhibited by the CIA and CIA Director William Casey towards what is potentially one of the greatest scandals in modern history — the greatest since the June 1914 events at Sarajevo. The reputed lack of interest by the CIA in the Italian judicial investigation of the attempt on the pope's life almost two years ago has become a subject of private discussion by former CIA executives who still maintain connections with the agency.

If it is true the CIA is maintaining a lofty attitude towards the Italian probe, such inaction would come only on direct orders from the White House. Such orders may well have been issued by President Reagan for all kinds of reasons. One of them: to get Soviet agreement on some acceptable form of arms control or on a pullout of Cuban troops from Angola or on some other contentious question.

There is a clue which might confirm this scenario:

On Dec. 20, 1982, *The Christian Science Monitor* published a tape-recorded interview with Vice President George Bush. In the question and answer session, Bush, former head of the CIA, made several statements about the Soviet secret police, the KGB — until recently headed by Yuri Andropov — which implied that the KGB was much maligned. The crucial paragraph in the interview quoted Bush as follows:

"My view of Andropov is that some people make this KGB thing sound horrendous. Maybe I speak defensively as a former head of the CIA. But leave out the operational side of KGB — the naughty things they allegedly do..."

The Washington Times of Dec. 27 published my critical commentary on this interview. Now one must assume that Bush, like any ambitious vice president, wouldn't have made such an outrageously idiotic statement about the KGB without some encouragement or even an order from the president himself or from a trusted Reagan aide. Bush and the president had several meetings following the vice president's meeting with Andropov, Brezhnev's successor as party chieftain.

If this theory is correct, then what Bush was doing was exonerating in advance Yuri Andropov of any involvement with the assassination plot against the pope. Bush's kind words about the KGB are, of course, belied by everything we know about the KGB and a lot of that knowledge is to be found in the recently published report, "Soviet Active Measures," issued by the Permanent Select Committee on Intelligence of the House of Representatives.

The House report details some KGB activities against the enemy, the United States — activities which range from the disgusting to the unspeakable. Obviously, the CIA, which uncovered some of these "active measures," the White House and Bush himself know what the KGB is capable of. Yet, strangely, Bush deplores the exaggeration about the KGB's "naughty things."

Were the attempt successfully tied to Andropov and the KGB, which, judging by the *Readers Digest* and *NBC* exposés, seems to be probable, Andropov's position as the new Politburo boss and as the U.S.S.R.'s spokesman would be so seriously compromised as to make possible his ouster by his own and, perhaps, unhappy colleagues in the Politburo. There is precedent for such an ouster — Nikita S. Khrushchev was "voted" out of office in October 1964.

From a U.S. standpoint, Andropov is in a tough spot. The Italian judicial investigation proceeds with all deliberate speed, although the news from Rome has been meager recently. Even the Vatican seems to be avoiding comment on the investigation, a strange phenomenon, since after all a pope, the vicar of Christ, was shot and almost killed.

Further, a source who follows the Catholic press in America told me that leading Catholic journals have kept their reporting of the case to a bare minimum, if reporting at all. Is the pope also signaling that he is ready to forgive and forget if Andropov will soften the Soviet attitude toward Poland and elsewhere towards Catholics in the Soviet empire? Is there some kind of "blackmail" operation going on because, for a change, the West holds some trumps and has displayed those trumps by discouraging rather than encouraging speculation about Andropov and by leasing the CIA while awaiting some more by Andropov?

The New York Times seems to be the only daily newspaper working on the mystery of the pope's assassin. A.M. Rosenthal, its executive editor, has assigned at least five of his top correspondents to keep working on the case.

There is something going on and there is no doubt that Vice President Bush's tour of Western Europe has more to do with Yuri Andropov than with any of the cover stories put out for his tour d'horizon.

25X1A

CONTINUED

STATINTL

Approved For Release 2001/12/05 : CIA-RDP91-00901R00010
ARTICLES APPROVED
ON PAGE A-8

NEW YORK TIMES
1 FEBRUARY 1983



United Press International

Demonstrators protesting Vice President Bush's visit to West Berlin yesterday. Banner in foreground, citing his former post as head of the Central Intelligence Agency, reads: "1973, Chile; today, Central America; tomorrow?"

WASHINGTON

25X1A

Bush

Vice President George Bush said Monday his recent tour convinced him African leaders view the United States as "the catalyst of peace" and are ridding their continent of Soviet influence.

"Africa is a land of opportunity, but no longer for the Soviet Union," Bush told an American Enterprise Institute forum. "They've had their chance. And the signs now point toward increasing irrelevance where Soviet influence in Africa is concerned."

Bush said he found "a desire for partnership with the United States" in talks with leaders of seven African nations during the 27,000-mile trip that also took him to Moscow for the funeral of Soviet leader Leonid Brezhnev.

However, Bush said a 40-minute meeting in Moscow with Brezhnev's successor, Yuri Andropov, left him still wondering how the change in the Kremlin leadership might affect U.S.-Soviet relations, strained in the last few years.

"He is well versed in Western methods and minds," Bush said of Andropov. "In this sense, he is a highly sophisticated man. Whether or not this will prove to be to our advantage, or cause even deeper concern, remains to be seen."

Bush said the alleged use of chemical weapons by the Soviets in Afghanistan makes it "extremely difficult" to improve relations with Moscow. A halt in the use of such weapons, he said, "would be a signal which we would note and to which we could respond."

Seeking to alter past perceptions of U.S. policy toward Africa, Bush said the United States does not consider the continent "a big chessboard on which we and the Soviets move pieces."

The United States does not "ask other nations to copy us or agree with us on everything" and welcomes non-alignment in the belief that African nationalism can deter Soviet encroachment, Bush said.

"All the Soviets have to offer," he said, "are cheap, used weapons, tractors that don't work, Cuban mercenaries and an opportunity to have your government infiltrated with people who want to take over and then order you around like servants."

Despite anti-American rhetoric, Bush said, African leaders "view us as the catalyst for peace, not the Soviet Union."

Bush indicated his session with Andropov provided little insight into future relations with Moscow, but said negative appraisals of Andropov based on his 15 years as head of the Soviet intelligence service, the KGB, might be premature.

Bush, a former director of the CIA, said anyone with such extensive access to foreign intelligence might be better able "to comprehend the true intentions" of an adversary than someone with little experience in foreign affairs.

The vice pApprdeed For Release 2001/12/05 : CIA-RDP91-O0001R00010001-7 in the espionage business, "were at least able to talk as spook to spook."

NEW YORK POST
16 November 1982

25X1A

Bush vs Andropov: a spook scorecard

By GUY HAWTIN

VICE President George Bush's long face at the Brezhnev rites had little to do with his feelings for the dear departed.

He'd just had his first face-to-face with Yuri Andropov, Russia's new boss — the guy who thrashed his team to a pulp in the 1976-77 International Intelligence World Series.

Bush can hardly be blamed for the fact that his appointment as manager of the CIA Angels came at a time when the club's reputation reached its nadir.

And Andropov's KGB Steelers were walked to their stunning victory by America's own umpires, after a hurried rewriting of the rulebook.

They declared every CIA strike a ball" and every home run a foul ball. And just for good measure the U.S. team was ordered to play blindfolded.

On Dec. 17, 1975, the very day of Bush's confirmation by the Senate Armed Services Committee as the new head of the CIA, congressional staffers leaked damaging details of CIA operations in southern Africa.

A week later Bush was wrestling with security problems which followed the assassination of the Athens CIA chief, who was fingered along with many other senior operatives by rogue agent Philip Agee.

Leaks from the Senate investigations of the agency — coupled with open testimony by CIA officials — provided Andropov with a windfall of extraordinary information.

This included the revelation of bizarre plots to murder Cuban strongman Fidel Castro and details of the 1974 attempt to salvage a sunken Russian nuclear missile in co-operation with billionaire recluse Howard Hughes.

At the same time, Andropov — handpicked by Brezhnev to run the KGB's "state-within-a-state" in 1967 — was notching up his own successes.

- Some 15,000 Cuban regulars stationed in Angola consolidated the Soviet's hold on a vital chunk of Africa.

- The CIA and State Dept. stood by helplessly during a bloodbath in Ethiopia following the Russian-inspired coup against the Emperor Haile Selassie, America's long-time ally.

- "The Falcon and the Snowman" were leaking America's innermost secrets about its most important spy satellite system to Andropov's agents in Mexico.

- Geoffrey Prime, just jailed for 35 years on espionage charges in Britain, was hanging around with his KGB contacts in Vienna telling them how the CIA could eavesdrop on everything in Russia from Politburo phone calls to tank commanders in battle.

The list could go on.

While the Senate was tut-tutting about the ethics of putting a depilatory in Fidel Castro's coffee, Andropov's men were planning to murder East-bloc defectors with umbrellas that fired poison pellets.

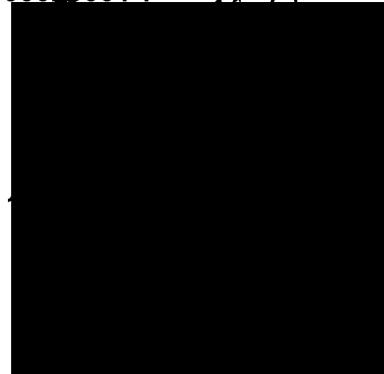
When the American public recoiled at revelations that the CIA had for 20 years been steaming open private letters and bugging officials in Micronesia, KGB agents were rounding up dissenters and putting them in mental hospitals.

As Sen. Frank Church's Select Committee on Intelligence paved the way for a wholesale "housecleaning" of the agency, Andropov's agents were destabilizing the Shah's Iran regime and training the young thugs who seized the hostages.

While shamefaced American newsmen confessed that they had occasionally talked to CIA contacts, KGB agents using journalist's credentials roamed the capitol on wide-ranging intelligence gathering operations.

Small wonder that Andropov looked so smug. Masters who manipulate the pieces do not expect to come face-to-face.

ASSOCIATED PRESS
5 NOVEMBER 1982



U.S. Indicts Castro Officials On Drug Counts

By DAN SEWELL

MIAMI

Four Cuban government officials — two diplomats, a navy vice admiral and the man who helped organize the 1980 Cuban boatlift — were charged by the U.S. government in drug conspiracy indictments released Friday.

They were among 14 people accused of using the island "as a loading station and source of supplies" for drug smugglers operating between Colombia and the United States between October 1979 and January 1981.

The eight-count, 19-page indictment was sparse on details but mentioned an alleged plan to smuggle 5 million methaqualone tablets into the United States. The counts charged conspiracies to import marijuana and methaqualone from Colombia, by way of Cuba.

The Cuban officials indicted were identified as:

Rene Rodriguez Cruz, reportedly an official of Cuban intelligence, a member of the Cuban Communist Party Central Committee and president of the Cuban Institute of Friendship With The Peoples. It was in the latter capacity in 1980 that Rodriguez helped organize the boatlift that sent nearly 125,000 Cuban refugees to the United States — including thousands of criminals sent directly from Cuban prisons.

Fernando Rovelo Renedo, Cuban ambassador to Colombia until the embassy in Bogota was closed in 1981. Rovelo was identified as the godfather of a 2-year-old daughter of Colombian drug trafficker Juan "Johnny" Crump.

Aldo Santamaria Cuadrado, also known as Rene Baeza Rodriguez. He was identified in the indictment as a vice admiral in the Cuban navy and a member of the Cuban Communist Party who "would supervise in Cuba the protection and resupply of ships transporting marijuana from Colombia to the United States by way of Cuba."

Gonzalo Bassols Suarez, identified as a former minister-counsel of the Cuban embassy in Bogota.

Also named was Jaime Guillot Lara, a reputed Colombian drug trafficker. U.S. officials were outraged when Mexico released Lara from prison last month. He reportedly is in Spain and also is wanted by Colombia for allegedly helping smuggle arms to leftist guerrillas.

8
UNITED PRESS INTERNATIONAL
2 NOVEMBER 1982

WASHINGTON

Lawyers for renegade CIA agent Edwin Wilson have filed a laundry list of subpoena requests seeking testimony at Wilson's forthcoming trial from Egyptian President Hosni Mubarak and Vice President George Bush as well as from a series of top intelligence officers, AFL-CIO officials and a White House lawyer.

Wilson, accused of aiding Libya in the training of terrorists, is to stand trial Nov. 15 in nearby Alexandria, Va., on charges involving the alleged shipment to Libya of four revolvers and an M-16. One of the handguns allegedly was used in the assassination of a Libyan dissident living in Bonn.

Wilson and associate Frank Terpil face a variety of charges involving training Libyan terrorists and shipping weapons and explosives to Libya in the late 1970s. Wilson, 54, was lured back into the United States earlier this year. Terpil remains at large and was last reported seen in Beirut.

Lawyers for Wilson also filed late Monday with U.S. District Court Judge Oren Lewis a lengthy list of CIA and other documents. Lewis will rule on which witnesses with flag-rank or Cabinet status will be called and what classified documents will be allowed. The government's document list was filed in a sealed envelope.

In addition to Mubarak and Bush, who once ran the CIA, those sought by Wilson's lawyers included Adm. Bobby Inman, former deputy CIA director and former head of the super-secret National Security Agency; Maj. Gen. Richard Secord, deputy assistant secretary of defense for Near Eastern and South Asian Affairs, AFL-CIO officials including President Lane Kirkland; several CIA figures and Egypt's assistant military attaché in Washington.

Also on the list are White House lawyer Fred Fielding, former presidential national security adviser Richard Allen and his successor, William Clark.

The documents defense lawyers Harold Fahringer and John Keats asked for include all CIA documents dealing with Wilson's collection of intelligence information in Libya, the Middle East and elsewhere, the "book cable" on Wilson sent to all CIA stations by Adm. Stansfield Turner, a CIA chief, in 1976 and 1977, all information on the Glomar Explorer, a vessel involved in an attempt to salvage a sunken Soviet submarine in the Pacific.

The two attorneys said they wanted the AFL-CIO to be asked to provide data on labor problems and information on what was described as Wilson's cooperation and work with the labor group concerning CIA operations.

They also sought from various agencies any documents on Wilson's relationship with an intelligence operation known as Task Force 157.

The Defense Department was asked for data on Wilson's collection of intelligence data in Libya, the Middle East and elsewhere, documents on an impact between the United States and Egypt, and all records on an enterprise called EATSOO.

AIM REPORT
(ACCURACY IN MEDIA, INC.)
NOVEMBER 1982

THE JOURNAL'S KWITNY NEVER QUILTS

Jonathan Kwitny, one of the Wall Street Journal's star reporters, is familiar to regular readers of the AIM Report. In 1981, we pointed out that a major story he had written about the State Department White Paper on El Salvador was based largely on an analysis written by CIA defector Philip Agee. The Agee critique of the State Department's charge that communist-bloc countries were supplying arms to the guerrillas in El Salvador had been released in Washington by the editors of the Covert Action Information Bulletin. This publication is devoted to Agee's project of exposing the identities of CIA agents, and Agee is on its advisory board.

Kwitny obtained a copy of the Agee article on the White Paper from these editors. He studied it and produced a front-page story for the Wall Street Journal which contained 13 criticisms of the White Paper. Every one of them had been made first by Agee. It is no wonder that Agee himself told the Los Angeles Herald-Examiner that Kwitny's story was based on his analysis, even though Kwitny did not acknowledge his debt to Agee.

Frederick Taylor, executive editor of The Journal, was sufficiently stung by the letters of criticism of Agee that he received from AIM members and others that he published a 1400-word defense of Kwitny. He only made matters worse, since he pointed out that another of Kwitny's sources had been John Kelly, editor of the notorious magazine CounterSpy. CounterSpy is like Covert Action Information Bulletin, only worse.

Kwitny Cuddles Up To Castro

Despite our devastating exposé of Kwitny and his reliance on extremist sources, The Wall Street Journal next dispatched him to Cuba to do a story for its readers on how Castro was getting along. The result was a story published on November 16, 1981, which no doubt pleased Castro immensely, but which brought forth stinging rebukes from readers familiar with the facts about Cuba and even from one of the Journal's editorialists.

The AIM Report for January-I 1982 covered Kwitny's pro-Castro story in depth, but here is a reminder of how far he was willing to go in his efforts to make Castro's communist catastrophe look good. He wrote: "The average Cuban lives very well these days by Third World standards. He also suffers political repression,

but accepts it as a price for his economic gains. He strongly supports his government's foreign and domestic policies." Later he argued that Cubans believe "that real restrictions on their lives are less now than under previous right-wing dictatorships." These statements are obviously contradicted by the behavior of the Cuban people. Over one million Cubans have fled their homeland to escape what Kwitny would have us believe is an improvement in their economic condition and their freedom.

Kwitny Goes Down Under

On August 24, 25, and 26, 1982, Kwitny again appeared on the front page of The Journal with three long articles about a small merchant bank in Australia that had gone bankrupt two years earlier. Bank failures are not such a rarity these days that one in Australia merits front-page treatment in this country. And though Australia is a long way off, it should not take over two years for news of any event of importance to reach New York City.

Why was The Wall Street Journal giving such play to a two-year-old story about the failure of an obscure Australian bank? It was not as if the bank's collapse had threatened the solvency of any American financial institutions. Nugan Hand, Ltd. was a merchant banking enterprise embracing some 40 related corporations scattered around the globe. It has been described as "a two-bit merchant banking firm."

Jonathan Kwitny's interest in Nugan Hand was political, not financial. The Australian Communist Party newspaper, The Tribune, had floated charges that the bank was involved with the CIA and had been the channel for CIA funds into Australia. The allegations covered drug dealing, arms running and funding opposition to Prime Minister Gough Whitlam back in 1975. These charges, which remain unsubstantiated allegations to this day, were picked up by the sensationalist press in Australia and they found their way into CounterSpy in this country. As Frederick Taylor, executive editor of The Journal admitted in print, CounterSpy is a source that Jonathan Kwitny has relied upon in the past. It seems likely that this is what whetted his interest in Nugan Hand.

United Press International

August 26, 1982.

25X1A

CHICAGO / By PAMELA SHERROD /

The United States is willing to do whatever it takes to reduce nuclear arms, but not at the expense of its citizens' safety, Vice President George Bush said Thursday.

In a speech to the 64th national convention of the American Legion, Bush praised delegates for their military service and faith in President Reagan's military goals.

"Thanks for supporting the president in what he wants to do," he said.
"For that, we are extremely grateful. We hope and believe the American Legion
will continue to support the administration's goals to safeguard this country
for our children and grandchildren."

Bush, a Navy pilot in World War II and a Legion member, wore a navy and gold Legionnaire cap for his speech. He won shrill whistles and applause from 3,500 listeners with his descriptions of steps to strengthen the military. "Those urging a nuclear arms freeze must understand the good this country has already accomplished and the motives we have followed," he said.

The vice president said world leaders have a "new perception" of the United States under the Reagan administration.

"The United States is the leader of the free world and under this administration we are beginning once again to act like it," he said.

Bush defended the administration's ban on exporting high-technology goods for the natural gas pipeline from Russia to Europe. He said the ban will delay construction of the pipeline and that American businesses should not tie their future "to leaders in the Kremlin."

"We have embarked upon a defense program that will restore our military strength," Bush said. "We have revived the B-1 bomber and the neutron warhead. By protecting the identity of those who serve overseas, we are strengthening rather than tearing down the CIA."

To ease veterans' minds on budget cutbacks, Bush said there will not be reductions "in the basic benefits for our nation's veterans."

"The president is right when he says the government isn't giving the veteran anything," he said. "Benefits for veterans are benefits earned in defense of our country."

RICHMOND TIMES-DISPATCH (VA)

13 June 1982

CIA reassures leader Baptist board



Religion Today

Compiled by Ed Briggs
Times-Dispatch Religion Writer
From Wire Dispatches and Other Sources

25X1A

Central Intelligence Agency administrators say they will take corrective action if anyone presents hard evidence that CIA agents are posing as missionaries or involving missionaries in intelligence-gathering work.

CIA Director William Casey met last week with officials of the Richmond-based Southern Baptist Foreign Mission Board to discuss the agency's position on missionary involvement. The board is the largest evangelical missionary organization in the world.

Casey affirmed to the board's president, Dr. R. Keith Parks, and its executive vice president, Dr. William R. O'Brien, the CIA's position that to involve missionaries in intelligence activities violates the First Amendment regarding separation of church and state.

An interested party to the discussions is Vice President George Bush, who was CIA director for 18 months during the Ford administration. He is expected to deal with the issue during a New Orleans news conference slated for today, two days before the opening of the annual Southern Baptist Convention.

During the 30-minute meeting with Casey and the CIA director of external affairs, William Doswell, Dr. Parks said he told them that any CIA use of missionaries "jeopardizes not only the work of missionaries, but has the potential of putting them in a dangerous situation and even jeopardizes their lives as well as their being able to stay and work in various countries."

Dr. Parks said Doswell told him that if anyone could present hard evidence that missionaries are being used as agents or that agents were posing as missionaries, the agency would take action.

In a phone conversation with Baptist Press, Doswell's deputy, Lavon Strong, supported Doswell's statement and added that evidence could be presented to Casey or the president's intelligence oversight board, an independent group set up to watch for misbehavior in intelligence activities.

Dr. Parks requested the meeting because of the board's concern over "persistant rumors of contact" by CIA agents with missionaries. Dr. Parks said the mission board has no knowledge of any Southern Baptist missionary involved in CIA

activity, but the concern over the image of all evangelical missionaries, including those in other denominations, prompted the request for the meeting.

Since late 1975 when President Ford acknowledged that the CIA had used missionaries in the past and may again, the Foreign Mission Board has urged legislation to prohibit missionary involvement in intelligence activities.

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PUBLIC AFFAIRS STAFF

Remarks by Vice President George Bush

at the

Swearing-In Ceremony of John N. McMahon,
Deputy Director of Central Intelligence Agency

June 10, 1982

Approved For Release 2001/12/05 : CIA-RDP91-00901R000100020001-7

DIRECTOR WILLIAM CASEY: Welcome, all of you. We're here to swear John McMahon. Among his many great accomplishments here, he's established the rolling stone record, having -- having held four jobs in the last 18 months. Well, I have his solemn commitment that he'll work at this one longer than he has at the last three.

[Laughter]

DIRECTOR CASEY: It's my special happy privilege to introduce someone who certainly needs no introduction in this building, the President of the United States Senate and the Vice President of the United States.

[Applause]

VICE PRESIDENT GEORGE BUSH: Thank you, all, very much.

Thank you, Director.

Thank you. Thank you very, very much. Thank you very much. Better not stop -- keep clapping. You'll outdo the ovation we gave Lionel Hampton that day.

Bill, I'm just delighted to be back here.

And at the outset, let me just pay my respects to the Director, to tell you what you know, and that is how much confidence our President has in him. We see him in action all the time. Regrettably, I've been seeing him in action too much over the last couple of days. But backed admirably by your product and representing the intelligence community in an outstanding fashion.

[Sound of baby]

VICE PRESIDENT BUSH: I'm really -- wait just a minute, you.

[Laughter]

VICE PRESIDENT BUSH: I'm really delighted to be back here at Langley. And it's something of a homecoming for me. And I can't really think of a better occasion for this than John's swearing-in. My happiness in saluting McMahon's ascendancy to the stratosphere is somewhat mitigated, after Bobby Inman's retirement, departure for private sector. And I don't think it would be remiss if I said here that he should be complimented for his extraordinary work, the work he's done for NSA, for Naval Intelligence, for the entire community, and most recently for CIA.

We're grateful, Bob, for your outstanding service.

[Applause]

VICE PRESIDENT BUSH: But John will bring his own unique talents to this post. I guess it's one of the rare occasions for Washington. We have an opportunity to salute people we respect outgoing and incoming at the same time. I learned a long time ago that hardly anything is off the record. I thought that my remarks here would be off the record, but I don't know who these suspicious characters are. So I assume that they are not off the record. And I will hastily revise my text and get on with the -- get on -- get on with...

[Applause]

VICE PRESIDENT BUSH: ...what it says here.

I've known John for a number of years. We worked together, as some of you, many of you, as I look around this room, remember, when I was DCI. I had a few anecdotes to tell you about our times together. And then Dan reminded me that they're all "need to know." So I will hold back on that.

I guess the central compliment that I could pay John would be a paraphrase of St. John, and that would be apropos enough, considering the inscription that you all walk by each morning on your way to work. But what I was simply going to say was that greater love hath no man than he who devotes his whole life to his country.

And don't worry, John. That doesn't mean I'm asking you to make the ultimate sacrifice. But it has been -- it has been a remarkable career, as the Director alluded to: DDCI, the IC staff, to DDO and to DDI. And I know we've left out some other acronyms. But nevertheless that summarizes, as everybody in this room, knows very clearly, a great deal of accomplishment.

John is probably the only person in the intelligence community who's occupied almost every senior position here, except Les Dirks's (?) job.

And, Les, I understand now that he is making room in case John decides he wants to have a shot at that job. And I...

[Laughter]

VICE PRESIDENT BUSH: I'm sorry to hear about that, as a matter of fact, after the great service that Les has given.

The American people, whom John has served so well over

the years, will never really know -- and this is true of you, as it is of him -- how fine a job he's done on their behalf in all of these positions that he's held. But it's no secret that you don't reach the second-highest post in the intelligence community easily, you don't get there without a record of excellence.

This is beginning to sound like a retirement speech, so I ought to move along with what I had in mind to say to you all today. And some of it harks back. We went through a rough period not so long ago, difficult times. The intelligence community, the profession, if you will, under daily assault. And it's hard enough doing your job, God knows. It's a rough enough world out there as it is. And some of the rhetoric and some of the excesses of that investigative zealotry were deeply damaging and deeply hurtful to individuals.

We went through -- I say we because for one fleeting year I was a part of it -- quite an ordeal. The barrages out there fired into the press and elsewhere, the amateur sleuths, some very arrogant congressional staffers who had no concern -- I said it then and I'll say it again -- no concern, no concern at all for security or confidentiality. And I'll never forget that. But much more, I'll never forget your performance, because you endured it with discipline, grace, sometimes, surprisingly, even humor, as you saw these people come out and, by implication, at least, in sometime more directly, challenge your dedication to your work. You rose up above all that and you endured it with discipline and with grace, and because you were dedicated to your country and to your craft and dedicated to the CIA.

But fortunately for our country, we're out of that period now. It's behind us, a handful of abuses in the distant past long since corrected. And we're on a new track.

I hope you sense the depth of this President's respect for the intelligence community. There have been good and recent positive developments: the final passage of the Identities Bill, that we worked hard for, which the President strongly supported. The President signed Executive Order 12333, which will go a long, long way toward revitalizing the confidence and pride in this community. He's established -- reestablished the Foreign Intelligence Advisory Board. Bill Casey might argue whether that's good or bad, but nevertheless it shows a confidence in intelligence, 'cause if -- it hadn't changed much since I was here, I'm sure. But I remember getting briefed up by half the people in this room so I could sound intelligent in front of the Foreign Intelligence Advisory Board. But nevertheless it's there, and I think it does reflect the President's confidence in intelligence itself.

The President's embarked on a major campaign to rebuild

the capabilities of the intelligence community. And we've seen some significant manifestation of that in the work that Bill, and certainly Bobby Inman, has done on presenting the budgetary aspects of all of this up on the Hill.

And we've seen something else, too: an awareness out there in this country. I'm a great believer in the pendulum theory, and I believe this country now appreciates -- maybe not understands all the complexities of intelligence, but fully appreciates the need to have an intelligence capability second to none. And they see this as vital, they see it vital to our own national interest, our own survival, if you will. I think it's fair to say that the public is much more conscious of the nature of the struggle to sustain our democracy and our ideas, more aware, perhaps, since Poland and Afghanistan and so much else, of the threatening darkness at noon.

I try not to speak for the President, as a rule, but -- he seems to do a pretty good job of speaking for himself. If you don't believe me, ask the British. But I do speak for him in all confidence when he -- when I say he wouldn't be, he wouldn't have a chance to be a decent President without the product of the CIA and of the entire intelligence community. I know I speak, in a much less elevated role, for myself when I say that. Early each morning, one from among you appears from Langley, a little black attache case in hand. And I know from having been DCI what effort and what sacrifices, long hours, use of the intellect, goes into gathering the contents of that attache case every single day.

And I was offered the opportunity to come here -- let me just, in conclusion, take you back. That was 1975 -- some of my political friends said, "Don't do that." They said that it would be detrimental to a political career. Well, I didn't know at the time if that was really true. And at that moment in history, I really, frankly, didn't give much of a damn. I look back on my time here as probably the most exciting and fulfilling period of my life, because of working with John -- and I hate to start clicking off other names, so I'll stop there -- and others -- I should say others, so many others in this room. John's pride in what he does, a manifestation of your pride in what you do, is utterly contagious, utterly inspirational. And that, in no small part, is why in my office -- and you've got to be careful when you have foreign dignitaries standing there -- flies the flag of the CIA. And it's going to be there just as long as I am.

[Applause]

MAN: It's no my pleasure to give the oath of office.

[Oath of office]

[Applause]

JOHN MCMAHON: I've only been the DDCI for a few moments, and already I've learned two things. Don't be the last speaker on a program, and never follow the Vice President, George Bush.

Mr. Vice President, Director Casey, Judge Webster, Admiral Inman, members of the National Foreign Intelligence Council, senior officials of the Central Intelligence Agency, staff members of the congressional committees, honored guests, friends, colleagues, my family, not the least of which is my granddaughter Kate, from whom you already heard.

[Laughter]

MCMAHON: It is indeed an honor to be nominated by the President of the United States as Deputy Director of Central Intelligence. It is an honor to be confirmed by the United States Senate. And the presence of the Vice President, George Bush, here today is a tribute to our mission.

Mr. Vice President, I think I can speak in behalf of everyone in this room and everyone throughout the intelligence community to thank you for your presence and welcome you home again.

[Applause]

MCMAHON: There has been a lot of talk about a long career in the intelligence agency finally reaching the DDCI. I ask you to look before you. You see George Bush, a former DCI, now the Vice President of the United States. You see Bill Casey, a former intelligence officer from World War II, now the Director of Central Intelligence. And even in Moscow, you see Yuri Andropov...

[Laughter and applause]

MCMAHON: Good old Yuri, after 13 years,...

[Laughter]

MCMAHON: ...of leading -- of leading the KGB, is now a leading contender to replace Brezhnev as head of the Soviet Union.

It is obvious that there is unlimited headroom in the intelligence profession.

[Laughter and applause]

MCMAHON: I don't want to attempt to bore you with the litany of the challenges which face us all in the intelligence community. They are obvious to all of us. But I do see a tremendous requirement which faces us, but has prompted within the intelligence community a spirit of purpose, a spirit that has been prompted by the strong presidential support, of which the Vice President spoke, and of the strong support from Congress to give the individual organizations of the intelligence community the manpower and fiscal resources it needs to address the awesome task before us. And we are now in the process of rebuilding, to flesh out with human and technical assets those things which we need in order to meet the policymakers' requirements for intelligence, so that we can produce the finest and the best intelligence in the world. The United States, as a nation, cannot settle for anything else.

A few years ago, I stood on this stage and made the comment that it was a privilege to work in CIA. In fact, it was an opportunity for which we should really pay to work. I didn't realize that the pay cap would make me a prophet in my own times.

[Laughter and applause]

MCMAHON: But what prompted me and what drove me to make that comment was the recognition that within this agency there existed a tremendous wealth of talent and dedication. That same talent and dedication exists throughout the intelligence community. And under Bill Casey's leadership, it will be our desire to bring forth that talent and bring that expertise to bear on the many problems which face us.

As the Vice President commented, we would be very remiss in making any remarks if we did not pay recognition to one Admiral Bobby Inman.

Bob, you've had a brilliant intelligence career. I, more than anyone else, recognize that you're a tough act to follow. And indeed you have left very large footsteps. But those footsteps are highly visible and they point in the right direction, and I'm very grateful for that. And all of us here wish you equal success in your second career, whatever it may be. And until then, we wish you good luck and Godspeed.

[Applause]

MCMAHON: To all of you out there, I look forward to a continuing service together. Again I say it is indeed a privilege.

That concludes our program for today.

[Laughter]

MCMAHON: I ask you all to remain until the Vice President and his party have left.

Good luck and thank you for being my witnesses today.

[Applause]

RADIO-TV REPORTS, INC.

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25X1A

FOR PUBLIC AFFAIRS STAFF

PROGRAM	CNN2 News	STATION	WMAR TV CN Network
DATE	June 10, 1982	6:20 AM	CITY Washington, DC
SUBJECT	Vice President at Langley		

NEWSCASTER: Vice President George Bush believes there is a need for a strong intelligence community and lawmakers on Capitol Hill apparently believe the same. A bill making it a crime to disclose the names of US intelligence agents has been sent to the desk of President Reagan and his signature is certain.

Andrea Stroud has more.

ANDREA STROUD: A homecoming occurred today and the former CIA Director told his audience that his years at Langley were the happiest of his career.

Bush also referred obliquely to the fighting in the Middle East and the Falklands, saying he was hearing too much of Director William Casey in the past few days during meetings at the White House.

Bush [unintelligible] that the bad days at the CIA were past, the country once again understands the need for a strong intelligence agency.

VICE PRESIDENT GEORGE BUSH: The President's embarked on a major campaign to rebuild the capabilities of the intelligence community. I'm a great believer in the pendulum theory and I believe this country now appreciates -- maybe not understands all the complexities of intelligence -- but truly appreciates the need to have an intelligence capability second to none. And they see this as vital; they see it vital to our own national interest -- our own survival, if you will.

STROUD: It's not often that the press is allowed out here on strict [?] territory. The last time cameras were permitted was about four years ago when President Carter came out here for a tour.

But CIA sources admit that the Administration is sorely feeling the sting of Inman's departure and that it geared up his replacement with as much enthusiasm as possible.

Andrea Stroud, CNN at CIA headquarters in Langley, Virginia.

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ON PAGE 6

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THE CHRISTIAN SCIENCE MONITOR
4 May 1982

In Canberra, Bush leaves tough trade issues to lower-ranking officials

By David Solomon

Special to The Christian Science Monitor

Canberra

US Vice-President George Bush has just completed a four-day "good news" visit to Australia in which he successfully buried every potential area of serious dispute beneath promises for future negotiations.

His task was made easier because he bore with him an invitation to Prime Minister Malcolm Fraser to meet with President Reagan in Washington on May 17.

But Mr. Fraser is also expected to avoid the "hard" problems, mainly involving trade and commerce, when he sees Mr. Reagan. Mr. Fraser will concentrate on is-

Hayden raised a few problems concerning US defense installations in Australia and past activities of the Central Intelligence Agency in Australia.

Mr. Hayden warned the vice-president that a future Labor government would want to renegotiate the terms under which the US

operates a huge radio transmitter on North

West Cape in Western Australia. The station

is the major communications facility with

US forces in the Indian Ocean area, particu-

larly for the command of submarines. The

Labor Party wants Australia to have a veto

over messages that might be origi-

nated at the base.

The vice-president said he did not see

any problem arising that couldn't be settled

by negotiations between future US and Aus-

tralia. The "hard" issues will be left to more junior officials in talks

over the coming months.

The government cooperated with Mr. Bush's desire for an uncontroversial visit. But opposition Labor Party leader Bill

US to sell wheat and other products competing with Australian exports.

On the antitrust issue, the Australian government complains that US antitrust laws are being applied to Australian corporations operating outside the US, with agreements approved by authorities in Australia. Australian uranium mining interests have already been fined by US courts for operating in a cartel.

Wheat producers are angry because they lost markets to Argentina and other wheat producers when they cooperated with the US trade embargo against the Soviet Union over its invasion of Afghanistan.

The chairman of the Australian Wheat Board, Sir Leslie Price, recently cited South Korea and the Philippines as two "potentially significant" markets for Australia where the US was putting pressure on governments to buy American wheat. He also accused the US government of creating difficulties for Australia over possible sale of wheat to India and Indonesia.

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ARTICLE APPEARED
ON PAGE 19NEWSWEEK
22 MARCH 1982

PERISCOPE

A Top Spook's Political Appearance

The scheduled appearance of Central Intelligence Agency director William Casey at a \$200-a-plate GOP fund-raising dinner next week has caused a stir in Washington circles. "It's outrageous," says one highly placed Administration official, since CIA directors have traditionally taken extra care to avoid partisan politicking. One Reagan hand who certainly knows that is Vice President George Bush. Before confirming his nomination to the top CIA job, Congress got assurances from President Gerald Ford that he would not pick Bush as his running mate in 1976.

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ON PAGE 3A

PHILADELPHIA INQUIRER
19 MARCH 1982

Spy names bill passed by Senate

By Mike Shanahan
Associated Press

WASHINGTON — The Senate passed a bill 90-6 yesterday making it a crime for journalists to identify publicly U.S. covert intelligence agents, even if the information comes from open records.

The Intelligence Identities Protection Act was strongly supported by the Reagan administration and the CIA, both of whom said it was needed to protect undercover agents from public exposure and possible attack by terrorists.

But critics, including a senior Democrat on the Senate Intelligence Committee, predicted that the legislation would be struck down by the courts.

"I am afraid it is going to be declared unconstitutional," said Sen. Joseph Biden (D., Del.), who voted against the measure, despite his general support for the need to block publication of agents' names.

Biden led an unsuccessful fight over several months to make it more difficult under the law to prosecute individuals, including journalists or authors, unless it could be proved they deliberately set out to disrupt intelligence operations.

The bill now goes to a House-Senate conference committee. The House had passed an even tougher version of the measure earlier.

The American Civil Liberties Union and other groups are expected to challenge the legislation as a violation of free press protections of the First Amendment.

The measure would allow prosecution of editors and reporters who had "reason to believe" that publishing agents' identities would disrupt U.S. intelligence operations.

On Wednesday, with heavy administration lobbying, the Senate rejected 55-39 a standard of proof urged by Biden under which a prosecutor would have had to demonstrate that a reporter intended to interfere with such operations.

Among those pushing for the "reason to believe" standard was Vice President Bush, a former CIA director.

The House bill would prohibit identification of former as well as present CIA agents. It also would protect intelligence informants paid by the government.

The chief sponsor of the Senate version, Sen. John Chafee (R., R.I.), said the legislation was designed to shut off a small number of anti-CIA publications, such as the Covert Action Information Bulletin, which has made a campaign of ferreting out the names of agents around the world.

"It is not designed for legitimate news-gathering organizations which have published derogatory information about the CIA without exposing the names of agents," Chafee said.

Chafee acknowledged that such "legitimate" publications occasionally named CIA agents or operatives, but did not say how those publications and their reporters and editors would escape prosecution.

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ON PAGE 2

CHICAGO TRIBUNE
23 FEBRUARY 1982

People

Gold Plunkett & Sneed INC.



Typewriters and Teamsters

Vice President George Bush was confronted at last week's big labor meetings in Florida by Ken Blalock, head of the American Federation of Government Employees. Blalock asked why East German typewriters are used at the Pentagon and by the CIA and FBI. One answer reportedly provided by Bush: American manufacturers have gotten out of the manual typewriter business.

Meanwhile, look for the Teamsters to ratify a nationwide trucking agreement in the wake of the recent pact forged between the United Auto Workers and the struggling Ford Motor Co. Ballots were in the mail last week, and Chicago Teamsters boss Louis Peick reportedly is prepared to go along. Peick is negotiating a separate but compatible agreement for Chicago drivers.

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ON PAGE 83

MILITARY SCIENCE & TECHNOLOGY
VOLUME 1, NO. 6
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INTELLIGENCE

On November 4, 1980, Ronald Reagan was elected President of the United States—a foregone conclusion, one of those little events that will be seen in retrospect to be much more significant than realized at the time.

Team A began to pack its bags for the return home.

Their departure from the Carter administration—as that government began to make way for its successor—marked one of the more sensational developments in the history of American intelligence. For in the space of Election Day 1980, Team A, the national security and intelligence bureaucracy that had on Jimmy Carter's behalf formed Washington's intelligence perceptions, was in effect voted out of office. And Team B—the loose term for a coalition of critics of American military policy—became ascendant.

It remains to be seen whether Team B will do any better than Team A. Arguably, there is some feeling that it can hardly do any worse; the fact is that by the time of Reagan's election, American intelligence was a mess. As we have seen earlier in this series of articles, the intelligence community was increasingly beset by bureaucratic politics and other problems throughout its early history, reaching a climax of sorts during the Kissinger years, when Kissinger's National Security Council bureaucracy virtually usurped intelligence agency functions. Combined with the problems of Watergate and a series of damaging congressional investigations during the 1970s, the intelligence community came very near to falling apart.

Certainly, it was not functioning very well, and by 1976, there was consensus that something was not quite right—a conviction reflected in the squabble over whether American intelligence had badly underestimated the size and dimension of the Soviet military build-up. This, in turn, led to a whole series of questions on just

how well intelligence, particularly the CIA, was doing its job.

By the summer of 1976, the hue and cry about intelligence was in full blast, accentuated by the debate over the projected SALT II treaty and pronounced Soviet foreign policy aggressiveness. As the political pressure began to mount, President Ford decided on a tried-and-true political expediency to take the heat off: He appointed an "outside panel" of intelligence and military experts to review the performance of the American intelligence community in estimating the size and threat of the Soviet military apparatus. Before long, this outside panel—known more formally as the President's Foreign Intelligence Advisory Board—became known as "Team B" to distinguish it from the national security establishment it was reviewing, known in turn as "Team A."

It is difficult to imagine a more tenseful situation: Headquartered in the CIA's Langley headquarters, Team B members were paid out of CIA funds (which is the faint equivalent of paying an IRS auditor to audit your taxes) and were given total access to CIA intelligence. Tension also was due to the fact that everybody was perfectly aware of Team B's predilections, which happened to be outright skepticism that the American intelligence community was accurately gauging the Soviet Union.

The Team B leader was Richard Pipes, a noted Russian history professor from Harvard whose sympathies were regarded as distinctly conservative. The members of the rest of the group were much better known in the intelligence community, including Paul Nitze, an ex-Pentagon official; Paul Wolfowitz, a former strategic analyst with the Arms Control and Disarmament Agency; Army General Daniel O. Graham, former head of the Defense Intelligence Agency (and whom the CIA con-

Intelligence At Sea

by Ernest Volkman

"...American intelligence began to badly underestimate the Soviet SLBM program, and by 1967 the underestimate was pretty severe."

ARTICLE APPEARED
ON PAGE 47

THE WASHINGTON POST
23 November 1981

Despite Accepted Practice, Lasey Keeps Control of Stocks

By Michael J. Sniffen and Robert Parry

Associated Press

CIA Director William J. Casey, one of a handful of men with broad access to the government's secret data on international economic developments, has reversed the practice of his two predecessors and kept control of his personal stock holdings.

Casey and his wife own stock worth at least \$1.8 million, and perhaps more than \$3.4 million, in 27 corporations. Many of the firms are involved with oil, natural gas and strategic minerals and operate in nations of deep interest to U.S. intelligence.

Unlike Casey, others with access to closely held economic secrets—including President Reagan, Vice President Bush, Secretary of State Alexander M. Haig Jr. and Treasury Secretary Donald T. Regan—placed their holdings in blind trusts. Secretary of Defense Caspar W. Weinberger divested his stock in companies which do business with the Pentagon, but he did not create a blind trust.

Casey, whose past business dealings are under investigation by the Senate Intelligence Committee, maintains ultimate control over his stocks although an investment adviser handles day-to-day management of the portfolio, according to CIA general counsel Stanley Sporkin.

Speaking for Casey, Sporkin said the adviser has bought and sold stock on Casey's behalf since the former Wall Street attorney took over at the CIA last January. Sporkin said Casey was not aware of what had been purchased, but the CIA counsel said he could not say Casey was unaware of what had been sold.

He declined to identify any Casey stocks bought or sold, but noted that the law requires incumbent officials by May 15 of each year to disclose the value, within broad ranges, of each stock transaction during the previous year.

Casey owns more than \$250,000 in Superior Oil Co., which deals with the Abu Dhabi government on how much oil Superior can pump in the Persian Gulf. Superior also has been negotiating with Thailand on the sale of natural gas and the firm has a 49% interest in its South African platinum subsidiary.

Antilles-based firm that provides technical assistance to the oil industry; Philip Morris, a worldwide tobacco and soft-drink firm; Dome Petroleum Ltd., a Canadian oil firm, and Standard Oil of Indiana, which has oil or gas operations on five continents.

[Meanwhile, Intelligence Committee sources say that for nearly half his term as chairman of the Securities and Exchange Commission in the 1970s, Casey did not comply with a written commitment to Congress that he would put all of his family holdings in a blind trust.]

A 1965 presidential order and existing regulations prohibit federal employees from using nonpublic information obtained through their government work "for the purpose of furthering a private interest."

In addition, existing government-wide regulations on ethical conduct say "an employee shall avoid any action, whether or not specifically prohibited . . . which might result in or create the appearance of using public office for private gain."

Casey's predecessors—Bush and Stansfield Turner—set up blind trusts, citing concerns over the appearance of conflict of interest.

Sporkin said Casey asked early this year whether he should create a blind trust and was told Feb. 3 by CIA deputy general counsel Ernest Mayerfeld he did not have to.

Mayerfeld he did not have to. Mayerfeld was unreachable,* but Sporkin explained: "There's no requirement that I know of to put his holdings in a blind trust. The only reason you would do it is if there is a need and I don't see a need."

He said of Casey, "You're dealing with a very honorable person. . . . He wouldn't misuse information. He just wouldn't do that."

According to his 1981 financial disclosure statement, Casey has at least \$1.6 million and possibly more than \$2.9 million invested in firms with extensive foreign operations. In addition, Casey's wife, Sophie, holds between \$175,000 and \$515,000 in similar firms, and Casey has sizeable holdings in domestic oil operations whose value is affected by foreign developments.

White House counsel Fred Fielding and J. D. Tavel, chief of the Bureau of Budget's office, both reviewed Casey's holdings and said they relied on Mayerfeld's judgment that Casey did not need a blind trust.



WILLIAM J. CASEY
holdings worth at least \$1.8 million

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R-H BYLZVTBYL A0508 22 November 1981

*AM-CASEY INVESTMENTS, BJT - 2 TAKES, 700-1200

*CIA CHIEF KEEPS CONTROL OVER BIG INVESTMENT F

*LASERPHOTO NY9

*BY MICHAEL J. SNIFFEN

*AND

*ROBERT PARRY

*ASSOCIATED PRESS WRITERS

WASHINGTON (AP) - CIA Director William J. Casey, one of the few men with broad access to the government's secret data on international economic developments, has reversed the practice of his two predecessors and kept control of his personal stock holdings.

Casey and his wife own stock worth at least \$1.8 million, and perhaps more than \$3.4 million, in 27 corporations with major foreign operations.

Many of the firms are involved with oil, natural gas and strategic minerals and operate in nations of deep interest to U.S. intelligence.

Unlike Casey, others with access to closely held economic secrets - including President Reagan, Vice President George Bush, Secretary of State Alexander H. Haig Jr., and Treasury Secretary Donald T. Regan - placed their holdings in blind trusts. Secretary of Defense Caspar Weinberger divested his stock in companies which do business with the Pentagon, but he did not create a blind trust.

Casey, whose past business dealings are under investigation by the Senate Intelligence Committee, maintains ultimate control over his stocks although an investment adviser handles day-to-day management of the portfolio, according to CIA general counsel Stanley Sporkin.

Speaking for Casey, Sporkin said the adviser has bought and sold stock on Casey's behalf since the former Wall Street attorney took over at the CIA last January. Sporkin said Casey was not aware of what had been purchased, but the CIA counsel said he could not say Casey was unaware of what had been sold.

He declined to identify any Casey stocks bought or sold, but noted that the law requires incumbent officials by May 15 of each year to disclose the value, within broad ranges, of each stock transaction during the previous year.

Many Casey investments are with firms whose trading prices could rise and fall on international developments. For instance, Casey owns more than \$250,000 in Superior Oil Co., which deals with the Abu Dhabi government on how much oil Superior can pump in the Persian Gulf. Superior also has been negotiating with Thailand on the sale of natural gas and the firm has an interest in a South African subsidiary.

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ON PAGE A-16

NEW YORK TIMES
22 NOVEMBER 1981

C.I.A.'s Casey Departs From In Keeping Control of His Stock Holdings

WASHINGTON, Nov. 22 (AP) — William J. Casey, the Director of Central Intelligence, one of a handful of men with broad access to secret Government data on international economic developments, has reversed the practice of two predecessors by keeping control of his stock holdings.

Mr. Casey and his wife own stock worth at least \$1.8 million, and perhaps more than \$3.4 million, in 27 corporations with major foreign operations. Many of the concerns have oil, natural gas and strategic minerals operations and are involved in nations of interest to American intelligence.

Mr. Casey's immediate predecessors at the C.I.A., Vice President Bush and Adm. Stansfield Turner, set up blind trusts, saying that they wished to avoid the appearance of conflicts of interests.

Unlike Mr. Casey, others with access to strategic economic secret, — including President Reagan, Mr. Bush, Secretary of State Alexander M. Haig Jr. and Treasury Secretary Donald T. Regan, put their holdings in blind trusts. Defense Secretary Caspar T. Weinberger sold his stock in companies doing business with the Pentagon, but did not create a blind trust.

No Violation of Rules

Fred F. Fielding, the White House counsel, said that Mr. Casey had not violated Reagan Administration guidelines on stock holdings.

The director, whose business dealings are under Senate Intelligence Committee investigation, has ultimate control over his stocks, although an investment adviser handles their day-to-day management, according to the intelligence agency's general counsel, Stanley Sporkin.

Speaking for Mr. Casey, Mr. Sporkin said that the adviser had bought and sold stock on Mr. Casey's behalf since the former Wall Street attorney took over the agency directorship in January. Mr. Sporkin said that Mr. Casey was not aware of what had been purchased, but he said he could not say that Mr. Casey was unaware of what had been sold.

He declined to identify any stocks bought or sold for Mr. Casey. He noted that a law requires senior officials, each May 15, to disclose the value, within broad ranges, of each stock transaction in the previous year.

Many Casey investments are with companies whose trading price could rise and fall with international developments. For instance, Mr. Casey owns



The New York Times

William J. Casey

more than \$250,000 in Superior Oil Company stock. The company deals with Abu Dhabi on how much oil it can pump in the Persian Gulf. Superior has also been negotiating with Thailand on natural gas sales and has an interest in South African platinum.

A 1965 Presidential order and existing regulations prohibit Federal employees from using information not in the public domain and obtained through their Government work "for the purpose of furthering a private interest." A Government-wide regulation on ethical conduct says "an employee shall avoid any action, whether or not specifically prohibited . . . which might result in or create the appearance of using public office for private gain."

Such rules led Mr. Bush to sell nine stocks and create a blind trust for his investments in 1976, after becoming C.I.A. director.

Admiral Turner, who had investments worth less than \$350,000, said, "I knew I wasn't going to misuse any information, but the safest move for me to be sure that I didn't have an appearance of conflict was to put those holdings in a blind trust."

Even Quaker Oats Questionable

He said that he could have made a trust unnecessary by shifting investments into stocks "with no conflict with

reected himself to say: "Well, not Quaker Oats, because C.I.A. estimates the Russian oat crop."

As Director of Central Intelligence, Mr. Casey receives information from agents and analysts, and from United States Air Force satellites and the National Security Agency's electronic intercepting equipment.

Three former officials at the security agency, who asked not to be identified because the functions of the agency were classified, said that, backed by legal authority and sophisticated technology, the agency monitors a large volume of international communications by multinational firms, foreign corporations and other governments.

One official said: "The C.I.A. Director will know almost before anyone else when an oil fire shuts down a major field in the Persian Gulf; whether the Chinese have to buy wheat or have a major oil find and need drilling equipment or when a foreign government is planning to expropriate a U.S. firm."

"Few people have access to all of this, but Casey's one of half a dozen people who have got it all."

Trust Inquiry Referred to Counsel

Mr. Sporkin said that Mr. Casey had asked whether he should create a blind trust. A deputy general counsel for the C.I.A., Ernest Mayfield, told him Feb. 3, that he did not have to.

Mr. Mayerfeld could not be reached, but Mr. Sporkin said: "There's no requirement that I know of to put his holdings in a blind trust." Referring to Mr. Casey, he went on: "You're dealing with a very honorable person. He wouldn't misuse information. He just wouldn't do that."

Mr. Sporkin said Mr. Mayerfeld had consulted a classified list of intelligence contractors before advising Mr. Casey that he did not have to sell stocks or create a trust, but should disqualify himself from dealing with specifics affecting his holdings.

Though not required to do so, Mr. Casey put his holdings in a blind trust when he headed the Securities and Exchange Commission, and when he served as Under Secretary of State for Economic Affairs and head of the Export-Import Bank in the Nixon and Ford administrations.

"I think he got burned on his last blind trust," Mr. Sporkin said. "It is a very onerous kind of thing to do."

Mr. Sporkin would not make public Mr. Casey's agreement with his invest-

Continued

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THE NEW YORK TIMES
10 November 1981

C.I.A. Denies Any Official Role In Libya Activities of 2 Ex-Agents

By JEFF GERTH

Special to The New York Times

WASHINGTON, Nov. 9 — The Central Intelligence Agency today denied any "official involvement" in the activities of Edwin P. Wilson and Frank E. Terpil, former agents who have been charged with illegally shipping explosives to Libya as part of a program to train terrorists.

In its first public statement on the activities of Mr. Wilson and Mr. Terpil, the C.I.A. said it had conducted a full internal investigation of the case and had cooperated with Congressional and law enforcement inquiries.

The agency said that it had "continued to look into all new allegations of misconduct on the part of current and past employees and thus far has found none."

Over the last six months, questions have been raised by intelligence and law enforcement officials about the agency's handling of the case and the involvement of its officials in the business affairs of Mr. Wilson and Mr. Terpil. They are both fugitives. Mr. Wilson is living in Tripoli, the Libyan capital, and Mr. Terpil in Beirut, Lebanon.

The agency's comments today came in the form of a 200-word unsigned statement. It was prompted, agency officials said, by news reports. A spokesman for the C.I.A., Dale Petersen, declined to elaborate on the statement or answer questions.

Mr. Wilson and Mr. Terpil left the intelligence agency in 1971, but Mr. Wilson went on working for the Office of Naval Intelligence until April 1976, according to intelligence officials. In September 1976, Kevin P. Mulcahy, a former agency employee, first informed the C.I.A. about the Libyan activities of his associates, according to Mr. Mulcahy.

In today's statement, the agency said that in 1976 George Bush, who was then the Director of Central Intelligence, "conducted an extensive investigation of all known contacts with Wilson subsequent to his resignation in 1971." The statement went on: "The investigation did not establish any official involvement by the C.I.A. Some employees were found to have provided support to Wilson and Terpil without agency sanction and action was taken against them."

Some Have Different Recollection

Others familiar with the agency's handling of the affair, including Mr. Mulcahy, intelligence officials and law enforcement officials, have a different recollection.

They said that in 1976 the C.I.A. conducted only a limited investigation of Mr. Mulcahy's allegations. The investigation was not more complete, they said, for two main reasons: A key agency official associated with Mr. Wilson wrote a memorandum to discredit Mr. Mulcahy, and information about Mr. Wilson's activities was withheld from senior agency officials.

In April 1977, following a news account of Mr. Wilson's activities in Libya, a militant Arab nation in North Africa, Stansfield Turner, the director of the agency at the time, conducted a more thorough investigation, officials said. That inquiry resulted in the dismissal of two agency employees and the transfer of several others involved with Mr. Wilson.

But at least a year after Mr. Turner's investigation, key C.I.A. employees continued to have business relationships with Mr. Wilson, according to intelligence officials and associates of Mr. Wilson. For example, in June 1978, Mr. Wilson organized a corporation for Thomas G. Clines, then a senior agency official, according to Mr. Clines.

Meeting of Timing Devices

Mr. Clines acknowledges that he was present at a 1976 meeting at which Mr. Wilson planned the sale of explosive timing devices to Libya.

Mr. Wilson also used other active-duty C.I.A. employees in some of his business deals, including the recruitment of retired army Special Forces

troops to train Libyans and the transfer of sensitive military technology to other Middle Eastern countries, according to participants in these activities.

Associates of Mr. Wilson have said that his private business relationships with active-duty agency personnel left them with the implicit, if not explicit, understanding that the agency either officially or unofficially supported or condoned his activities.

In 1980, four years after Mr. Mulcahy brought his information to the C.I.A., a Federal grand jury indicted Mr. Wilson and Mr. Terpil for their activities in 1976 and 1977 on behalf of Libya. Federal prosecutors, who say they have received assurances in the past from the agency that it had no official involvement in Mr. Wilson's or Mr. Terpil's activities, unsealed a superseding indictment of the two men last month.

Allegations Referred to F.B.I.

In its statement today, the C.I.A. said it had "referred" to the Federal Bureau of Investigation and United States Attorney's office "all allegations of criminal complicity."

The House Select Committee on Intelligence is conducting an investigation into the activities of Mr. Wilson and Mr. Terpil, including an examination of the intelligence agency's handling of the case. The agency said it continued to "cooperate fully" with the House investigation. Congressional sources said that they were receiving full cooperation from the agency and that they expected to hold hearings before the end of the year.

CONTINUED

ASSOCIATED PRESS

9 November 1981

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688-SCHLACHTER-CIA COVERUP, 460

CBS REPORTS ALLEGED CIA COVERUP IN WILSON-TERPIL CASE

25X1A

WASHINGTON (AP) - FOUR YEARS AGO, THE CIA ALLEGEDLY COVERED UP THE INVOLVEMENT OF SOME OF ITS TOP OFFICIALS IN AN OPERATION TO SUPPLY MILITARY EQUIPMENT TO LIBYA, CBS NEWS SAID MONDAY.

THE ALLEGATION WAS MADE DURING AN INTERVIEW IN BURUNDI WITH DOUGLAS J. SCHLACHTER, WHO HAS BEEN INDICTED IN WASHINGTON, D.C., FOR ALLEGEDLY HELPING TO ARRANGE A SHIPMENT OF EXPLOSIVES TO LIBYA AND TRAINING UNIDENTIFIED TERRORISTS TO USE THEM.

SCHLACHTER WORKED FOR FRANCIS E. TERPIL AND EDWIN P. WILSON, FORMER CIA EMPLOYEES CHARGED WITH ILLEGALLY SUPPLYING LIBYAN STRONGMAN KHADAFY WITH VARIOUS WEAPONS.

THE REAGAN ADMINISTRATION HAS SAID KHADAFY HAS FOMENTED TERRORISM AROUND THE WORLD.

CBS SAID THE "ALLEGED COVERUP" CAME AFTER FORMER CIA AGENT KEVIN MULCAHEY, WHO ALSO WORKED FOR WILSON, WENT TO THE CIA IN AN EFFORT TO EXPOSE THE INVOLVEMENT OF TWO TOP CIA OFFICIALS WITH WILSON.

SCHLACHTER IDENTIFIED THESE OFFICIALS IN THE INTERVIEW BROADCAST MONDAY AS THEODORE SHACKLEY AND THOMAS G. CLINES.

"I UNDERSTOOD THAT WITHIN THE AGENCY, IT (MULCAHEY'S ACCUSATION) WOULD BE TAKEN CARE OF," SAID SCHLACHTER. "THERE WERE MEETINGS HELD LATER ON, WHICH I WAS PRESENT AT; AFTER THAT TIME ABOUT KEVIN BETWEEN CLINES AND SHACKLEY AND WILSON. AND IT WAS SAID THAT REPORTS WOULD BE CHANGED AND THAT KEVIN WAS NOT A RESPONSIBLE PERSON. HE HAD GONE AGAINST THE AGENCY."

CBS SAID THE INTERVIEW WAS CONDUCTED IN THE PRESENCE OF SCHLACHTER'S ATTORNEY AND MULCAHEY, WHO HAS BEEN HIRED BY THE NETWORK AS "A TEMPORARY CONSULTANT." CBS SAID IT PAID FOR THE LAWYER'S TRIP TO BURUNDI.

EARLIER MONDAY, DALE PETERSON, A SPOKESMAN FOR THE CIA, ISSUED A STATEMENT DENYING ANY CIA INVOLVEMENT IN ALLEGED ILLEGAL ACTS BY ITS FORMER EMPLOYEES.

RADIO TV REPORTS,

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20015 656-4

FOR PUBLIC AFFAIRS STAFF

PROGRAM Panorama SI
DATE November 6, 1981 12:00 Noon CR
SUBJECT Dr. Ray Cline, Former Deputy Director, CIA

ROSS CRYSTAL: Joining me now, here is Dr. Ray Cline, former Deputy Director of the Central Intelligence Agency, from 1949-on with the CIA, and then with the State Department.

Welcome to Panorama.

And if we can, let's assess -- the book, incidentally, "The CIA Under Reagan, Bush and Casey." You take a look from the very beginnings of the CIA.

RAY CLINE: Start with Roosevelt,...

CRYSTAL: Right up to today.

CLINE: ...my first President. Yes.

CRYSTAL: Your assessment today of the CIA, just looking at it right now.

CLINE: Well, I assess it as having been damaged a great deal in the years after the Church congressional investigation and a very severe media assault on CIA back in '75 and '76. I don't think President Carter and Vice President Mondale believed very much in intelligence, so they let it sort of drift for almost five years.

I assess that it is now about to pick itself up off the floor because we have three men guiding its policy that believe in the importance of intelligence, information about foreign affairs as a guide to decision-making.

CRYSTAL: What's going to be the big issue?

18 October 1981

The Reagan Memoirs

By William Safire

WASHINGTON — We are bracing ourselves for the memoirs of the Carter Administration, with Jimmy Carter hiring a ghost and Zbigniew Brzezinski putting rivets in his conceptual framework; meanwhile, Gerry Rafshoon and Hamilton Jordan are pressing ahead with plans for their television docudrama of the Iranian affair, mindful that Pierre Salinger's stunningly revealing book, "America Held Hostage," will be published next month.

But literary superagents must be looking ahead, to the memoirs of the Reagan years; soon bidding will start for the properties of the future.

2. The White House Diet by Henry Haller, chief chef at the White House since 1968, a can't-miss blockbuster by the man who has stuffed five Presidents. Includes the rueful chapter on the Reagan years, "I Finally Get a Class Act in Here, and He Asked for Macaroni and Cheese," reveals that the recent idea for treating ketchup as a vegetable was spawned in the Nixon era, during Oval Office lunches of ketchup over cottage cheese.

3. *I Am In Control*, the memoirs of Tepid Warrior Al Haig, first in a four-volume series (Henry Kissinger's memoirs are in only three volumes) covering his year at State. Sample chapters range from "Only You, Mr. President," a flashback to a troubled time, to a lighthearted "How I Scared the Wits Out of George Bush and Wound Up Leading the U.S. Delegation to Sadat's Funeral." Literary superagents are exploring the idea of tie-in sales with the makers of "Turfbuilder" grass enhancer and "I Am a Team Player" T-shirts.

4. The Stockman Tapes. This intimate diary, whispered into a tape recorder during boring questions at Budget Committee hearings by a young man with no time to waste, includes entries on "Me and the Goliath of Bureaucracy," "Why Is Dom Regan Pushing Me Forward?" and "I Had

This Hairstyle Before Jack Kemp." 5. The Biography of James M. Polk by Jack Kemp, a study of our 11th President, subtitled "The Only House Speaker to Be Elected President," including chapters on "No Congressman Since Polk Has Been Elected President Without Running for the Senate," ~~James~~^{Never} ~~Gullible~~²⁰⁰⁴ "Really Didn't Have to Run for Governor," and "The House as a National

Media Base in the 20th Century." 5. And I Never Carried a Knife by Cap Weinberger, an account of what it was like to be both H.E.W. Secretary and Budget Director in the Nixon-Ford era, and both Secretary of Defense and State in the Reagan years (the last move took place in Reagan's third year.) Includes "Out of Shultz's Shadow" and "My Toughest Midterm Choice: An Active Life at State — or Semi-Retirement as Attorney General?"

7. How I Caused a Hair-Curling Recession, Replaced Double-Digit Inflation With Double-Digit Unemployment, Got Impeached and Won the Nobel Prize in Economics by Paul Volcker

8. My Name Is Not the Plural of Anything by Ed Meese, a relentlessly cheerful series of Sunday talk-show transcripts by a man who wishes Cap the Knife would hurry up with his mid-term decision.

9. *In the Hollow of His Hand*, the intimate memoirs of the chief Presidential speechwriter, complete with "You Don't Have to Make a Speech to Have a Policy" and "I Can Fit the Whole Thing on an Index Card"; unfortunately, this memoir may be the last to see publication as the chief speechwriter has not yet been chosen.

10. *Foreign Policy in the Year 2050—
and Beyond*, a tome without legs by
national security adviser Richard
Allen, with chapters on "Back to the
Basement Where We Belong," "Re-
jecting the Minutiæ of War and
Peace," "It All Sounds Better in a For-
eign Accent" and "How I Maneuvered
the Secretary of State Out of Town
During the Critical Period After the
Sadat Assassination."

11. From Wall Street to the Number 3 Cabinet Post, or From Thundering Herd to Blundering Third by Treasury's Don Regan, generally regarded by insiders as the class of the crowd, with chapters on "Stockman, a Nice Kid but Expendable," "The New Proverb: Everything That Goes Up Can Stay Up," and "Why the Gold Standard Is a Ridiculous Anachronism and Why We Adopted It."

Finally, the first Presidential hard-cover-softcover-movie rights deal, for "Why Not the Best of Me?", including these lines from key scenes: "Former Presidents, like some foreign nations, should mind their own business"; "We bought it, we paid for it, and by God we're going to keep it — the White House china stays!"; and "That blow-dried kid had better stop whispering into his tape recorder during Cabinet meetings." A WRITER George Bush, Jack Kemp and Al Haig vying for the role of the young Ronald Reagan.

ATLANTA JOURNAL
20 September 1981

The Paisley Affair

A CIA tale of blood and intrigue

By Daniel Burstein

Constitution Special Correspondent

WASHINGTON — It was a sun-swept afternoon, September 24, 1978. A lone sailor — middle-aged, tanned, with a scraggly beard — allowed his 31-foot sloop, the Brillig, to drift across the shimmering waters of Chesapeake Bay. He studied some documents from his briefcase. He switched on and off his very special radio. He munched on a pickle loaf sandwich.

Then something extraordinary happened. Something violent. Something that shook American national security to its foundations and is still reverberating around the world in financial scandals, murders and the nuclear brinksmanship of the superpowers.

Exactly what happened to John Arthur Paisley three years ago is not known for certain by anyone who will talk about it. The Central Intelligence Agency, for which he worked much of his life as an expert on Soviet nuclear capabilities, the Federal Bureau of Investigation, and the Senate Intelligence Committee may know. But their reports remain clamped under a tight lid of secrecy.

Paisley, 55, never finished his sandwich and never returned from that day at sea. A bloated, blood-drained corpse with a 9mm bullet lodged in the brain was dragged out of the bay a week after the empty Brillig ran aground.

Soon thereafter, the Maryland State Police identified the body as Paisley's and the cause of death as suicide. Official accounts from the police, FBI and CIA, pictured Paisley as a "low-level analyst" retired from the CIA, who committed suicide in despondency over his estrangement from his wife Maryann.

It took only a few weeks, however, for investigative reporters in cities like the Chesapeake area to tear through all three points in the official story with a

Newspaper in that Paisley was not as Stansfield Turner, had contended, important figures in community. In fact, prominently in the Soviet "mole" (double upper echelons of some suspect, was th

Investigators also discrepancies in the body, discrepancies

this day, there are serious questions about Paisley's and whether the death was suicide.

Paisley's disappearance and possible death rocked Washington in the fall of 1978. One CIA source remarked at the time that "this thing is so big it touches every vital nerve in Langley," the CIA's headquarters. A senator confided more than a year later that the Carter administration's failure to win Senate ratification of the SALT agreement had "a very great deal" to do with concerns that Paisley's disappearance had somehow compromised U.S. satellite verification abilities — the field in which Paisley was most expert.

Three years later, the demand for answers about Paisley has not abated. The mystery has grown only more knotted and troublesome as a continuing tale of blood and intrigue is associated with Paisley's name:

- In mid-1980, the Nugan-Hand Merchant's Bank in Australia collapsed with Francis J. Nugan having been found murdered earlier in the year and his American partner, Jon Michael Hand, having disappeared. Scandalous revelations poured out about the CIA's use of the bank to launder funds for international covert action. It was an important enough institution for former CIA director William Colby to have been Nugan's personal lawyer in America, and it has recently come to light that Paisley was particularly preoccupied with Nugan-Hand's operations in August and September 1978, only days before his disappearance. He had specifically asked a former consultant to the bank to join him at Coopers and Lybrand, an accounting firm intimately involved in the CIA's financial affairs where Paisley was employed after his formal re-

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ON PAGE A1

THE WASHINGTON POST
16 September 1981

1977 CIA Housecleaning Tie

By Patrick E. Tyler and Al Kamen

Washington Post Staff Writers

The CIA's discovery that agency employees helped fulfill a terrorism training contract with Libya touched off a major internal housecleaning that led to the loss by firing, transfer, attrition or forced retirement of 820 agents in the agency's elite clandestine service.

The controversial 1977 housecleaning, only a fraction of which was directly related to the Libyan operation, was initiated by then-CIA director Adm. Stansfield Turner.

It represented the major thrust of the Carter administration's attempt to get control of the agency's covert operations branch and force its agents to adhere to rigid guidelines governing their activities. The controls were mandated in the wake a host of revelations of CIA abuses during the 1960s and early 1970s.

The internal shakeup was triggered when Turner learned from a press inquiry that two active-duty CIA agents appeared to be involved in the Libyan activities of ex-CIA agents Edwin P. Wilson and Francis E. Terpil. Turner fired the two active-duty agents.

In unrelated cases, a third and a fourth agent were dismissed, one of them for using a private operative overseas without informing his CIA superiors. Then Turner, already predisposed to further reductions in covert staffing levels, swollen from the Vietnam-war era, launched a massive overhaul of the operations directorate.

A team of systems analysts was imposed upon the highly autonomous clandestine branch and, by the time Turner was finished, 17 covert agents had been fired, 157 were asked to retire involuntarily, 50 were transferred out of the clandestine service to other CIA divisions and nearly 600 other clandestine jobs were eliminated by attrition.

At the time, CIA officials insisted that the exodus from the clandestine service was a routine reduction in force. But this account, provided by senior intelligence officials, for the

first time shows a broader purpose and illustrates the significance that was attached to the Wilson-Terpil case during Turner's four-year tenure. Turner's actions were attacked by veteran intelligence officials as needless decimation of covert intelligence-gathering capabilities.

During his first month in office in the spring of 1977, Turner was not informed of the investigations that had been initiated nine months earlier by his predecessor, George Bush.

In September, 1976, one of Wilson's partners and one of his employees told the agency that Wilson was exporting terrorist training and materials to Libya's radical dictator Col. Muammar Qaddafi.

Turner discovered that his predecessor had investigated the charge but had decided not to fire the two active-duty agents. Instead, Bush officially reprimanded and reassigned one of them as punishment for having assisted Wilson in designing and building prototype delayed-action timers for mass production, according to senior intelligence officials familiar with the investigation.

The second officer's disciplinary action as well as investigations into the activities of several other active-duty agents were pending when Turner took office.

Bush was traveling in Mexico yesterday and could not be reached.

These discoveries in Turner's opening weeks as CIA director "led to a major change" in his approach to the clandestine service, according to one knowledgeable official.

In his first contact with the agency's internal investigative files, Turner saw "four people out of control," the official said, and many others who were "still playing cowboy." Turner is said to have believed that the agency's covert operations branch had yet to respond to a new era of tighter control.

In the final analysis, the agency did not respond fully to the Wilson case until Turner's attention was focused by a Washington Post inquiry in April, 1977, according to intelligence officials. Before that time, the agency had "fussed around" with several disciplinary investigations of its own agents, according to one knowledgeable source. A single letter of reprimand and reassignment had been ordered before Bush left office in January, 1977.

Wilson and Terpil were indicted in April, 1980, by a federal grand jury here for allegedly supplying explosives, delayed-action timers and terrorist training and for plotting the assassination of a prominent exile critic of Qaddafi's regime. Other indictments are expected.

And other federal regulatory agencies are examining their rules and federal laws to curb what federal officials see as an epidemic of illegal arms and technology exports to hostile nations.

The CIA's investigation into Wilson's dealings with Libya began Labor Day weekend in 1976, when one of Wilson's partners, Kevin P.

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ON PAGE A-13

NEW YORK TIMES
28 JULY 1981

Veteran of Senate Investigations To Aid Panel's Inquiry on Casey

By JUDITH MILLER
Special to The New York Times

WASHINGTON, July 27 — Senator Barry Goldwater announced today that the Senate Select Committee on Intelligence had retained Fred D. Thompson as special counsel for what seems likely to be an extended examination of the financial dealings of William J. Casey, Director of Central Intelligence.

Mr. Thompson, 38, a Nashville lawyer and close associate of the Senate majority leader, Howard H. Baker Jr. of Tennessee, was Republican counsel for the Watergate investigation and again in the Senate Foreign Relations Committee hearings on the nomination of Secretary of State Alexander M. Haig Jr.

Mr. Thompson will be a consultant while the panel reviews the "legal and other matters" affecting Mr. Casey, a committee spokesman said. And Senator Baker, who met with Mr. Thompson over the weekend, told reporters that the committee intended to finish its review "promptly."

However, Senator John H. Chafee, Republican of Rhode Island, a member of the panel, said that he thought "it will be a while before we can come to any conclusions." And Senate investigators as well as supporters of Mr. Casey seemed today to be preparing for a long investigation. Both Mr. Casey's financial dealings and his management of the Central Intelligence Agency, as symbolized by the selection of Max C. Hugel as chief of clandestine operations, were subjects of the investigation.

Mr. Hugel, who came to the agency with no experience in espionage, has resigned after his former business associates raised questions about his dealings.

In his statement, Senator Chafee said, as have many committee Democrats, that he would wait to hear a committee staff review at a closed session tomorrow.

"I do not believe in hanging a man — and then giving him a fair trial," Mr. Chafee said, in implicit criticism of Senator Goldwater, who has suggested that Mr. Casey consider stepping down. Meanwhile, Mr. Casey's friends continued to rally support for him.

Lunches Planned for Casey

William E. Simon, the former Treasury Secretary, George P. Shultz, president of the Bechtel Corporation, and another former Treasury Secretary, Leonard H. Marks, former director of the United States Information Agency, and Geoffrey M. T. Jones, president of the Veterans of the Office of Strategic Services, announced that lunches would be given in New York City Aug. 3 and in Washington Aug. 6 in support of Mr. Casey.

Mr. Jones said that he and other sponsors had sent hundreds of telegrams to friends and former members of the O.S.S., the agency's predecessor, urging them to write to the White House or the Senate committee "to express confidence in the integrity of our friend Bill."

Mr. Jones stressed that this effort was neither financed nor endorsed by his organization, but rather by "individuals who have urged Bill to defend himself."

Mr. Goldwater and Senator Daniel Patrick Moynihan, Democrat of New York and vice chairman of the intelligence committee, planned to meet with Mr. Thompson and other staff investigators today to discuss their staff review.

In a related development, the White House and Senator Baker denied a report in Newsweek magazine that Mr. Casey and Mr. Hugel had approved a large-scale, costly scheme to overthrow the Libyan regime of Col. Muammar el-Qaddafi. Newsweek had said that members of the House Intelligence Committee protested the plan in a letter to President Reagan.

Larry Speakes, the White House deputy press secretary, said that the meeting in which Mr. Hugel was reported to have discussed the plan with committee members "never took place." He also said, in response to questions, "The letter did not concern Libya or Qaddafi."

Senator Baker said that he would "continue to have confidence" in the committee's handling of the case.

In Atlanta, Vice President Bush, a former Director of Central Intelligence, said that he would give Mr. Casey "my full support" unless he received evidence that changed his mind.

The remarks by Mr. Bush, and Senators Baker and Chafee followed the careful line many officials have taken since three Republican Senators called on Mr. Casey to step aside for the good of the agency. Senator Moynihan, for example, who has said that he intends to broaden the investigation to gather information about Mr. Casey's tax payments, stressed today that he, too, would reserve judgment until all of the evidence was in. "I'm playing this down the middle," Mr. Moynihan said.

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Approved For Release 2001/12/05 : CIA-RDP91-00901R

THE WASHINGTON STAR (NIGHT FINAL)

14 July 1981

CIA Operati Director Quits Stock Dealing Charges

Hugel Calls Allegations 'Unfounded'

Former Associates Say He Violated SEC Laws

By Jeremiah O'Leary

and Allan Dodds Frank

Washington Star Staff Writers

Max Hugel resigned today as the CIA's deputy director for operations in the wake of reports that he engaged in questionable stockmarket practices before he became chief of the agency's clandestine service.

CIA director William Casey immediately named John Stein, a career CIA official who had been one of Hugel's deputies, to replace Hugel.

Stein met this morning with members of the Senate Select Committee on Intelligence to inform them that he was replacing Hugel.

The CIA said in a press release that although Hugel contends the allegations against him are "unfounded and untrue," he had concluded the charges "have become a burden which he believes is no longer fair to impose on the agency and the men and women who have worked with him."

"Mr. Hugel wishes to emphasize that the allegations against him concern his private life and have no connection whatsoever to his association with CIA or to its activities," the statement said.

Hugel's departure came after White House chief of staff James A. Baker III telephoned Casey to tell him that the agency's controversial chief of operations had to go, White House sources said.

In that conversation, it was agreed that Hugel would be allowed to resign.

Casey decided in January to name Hugel, a 56-year-old New Hampshire businessman who had worked in the Reagan campaign, to one of the most sensitive positions in government.

Hugel first served as a special assistant to Casey before being named as deputy director for administration on Feb. 11 and as deputy director for operations on May 11.

The choice of Hugel to head the operations division, which oversees clandestine activities, was made by Casey without consulting top White House officials and caused an uproar.

CONTINUED

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FOR PUBLIC AFFAIRS STAFF

PROGRAM	NBC Nightly News	STATION	WRC TV NBC Network
DATE	June 18, 1981	7:00 PM	CITY Washington, DC
SUBJECT	Administration Quiet on Spy Posts		

ROGER MUDD: The Reagan administration tried to head off the story about the U.S. listening posts in Red China, because the publicity came just when the United States and China were drawing closer together against the Soviet Union. Now the administration is waiting for the inevitable reaction from Moscow. Marvin Kalb reports.

MARVIN KALB: The basic concern here that the Chinese might now decide to shut down the entire operation, thus cutting the U.S. off from valuable intelligence. This is considered unlikely.

Another possibility is that the Soviet Union might now change its test and flight patterns, making a check on their strategic planning more difficult.

To limit the potential damage, the administration went mute. At the White House, no comment. At the State Department, no comment. In Phoenix, Vice President George Bush echoed the party line; but with a smile.

VICE PRESIDENT BUSH: One thing I learned is to not discuss sources in matters of intelligence -- not confirm, not deny. I learned that when I was director of Central Intelligence, and it's amazing how many questions you can dodge by falling back on the law.

KALB: The Vice President when the China listening posts were first set up, Walter Mondale.

WALTER MONDALE: I don't feel I can comment on that.

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ON PAGE A1

THE WASHINGTON POST
15 June 1981

Recouping Under Reagan

CIA Is on the Rebound

By Michael Getler
Washington Post Staff Writer

The Central Intelligence Agency, whose public image and private morale have been battered during much of the past decade, appears to be regaining some of its lost money, manpower and maneuvering room under the Reagan administration.

In Director William J. Casey, a long-time friend and political adviser to President Reagan, the agency has perhaps more clout in the White House than ever.

In its deputy director, Adm. Bobby Ray Inman, the former chief of the super-secret National Security Agency, the CIA has one of the nation's most respected professional intelligence officers to brush up the analytical product and keep tabs on technological prowess. Some senior CIA officials believe that Casey, 68, may not stay in his post for Reagan's entire four-year term and that Inman is heir apparent.

In Vice President Bush, the agency has another godfather at the highest levels of government. Bush, a CIA director under President Ford who is, according to agency officials, very proud of his days at the agency, played a key role during the transition period in helping turn Reagan toward the CIA.

Bush, insiders say, convinced a reluctant president-elect Reagan to let the CIA brief him every day on the global intelligence picture — even when he was in California — so that the president would quickly develop a feel for the evolution of events rather than be exposed only to special or occasional situations.

CIA's secret, multibillion-dollar budget is going up substantially. Though sources say this actually began in the final year of the Carter administration after events in Iran and Afghanistan, it is clear that it will keep going up under Reagan.

Officials say the agency, for the first time in years, has money to hire analytical specialists for areas of the world previously neglected, for more linguists, and to pay for more trips abroad by analysts.

The agency is destined, covert & according to all ever, is supposed experienced people. Sources say it also began in the identical overcame cions, that officially President Mond committee head that investigated mid-1970s.

Casey, many in the agency's clandestine last month, businessman who campaign, as CIA caused much grumbling throughout the intelligence community.

Hughes has no experience in spy operations, but his post is the most sensitive in the CIA and involves overseeing the agency's entire overseas spying operations. Many intelligence officers, active and retired, were aghast at putting an amateur in such a job, while a few others thought it mostly an attempt to jolt the crusty world of spying with some business world experience.

But things have quieted down and one veteran intelligence officer offers a different way to view the appointment. In this view, Casey, a high-ranking officer overseeing intelligence operations in Europe in World War II, wants to run the clandestine operations himself and wants only a trusted friend between him and the operations.

Whether this means that CIA eventually will return to its heyday of covert intervention abroad, including assassination attempts, as well as its occasional dabbling in domestic activities on the fringe of its charter, is not known.

While the improvement in the overall situation at CIA is seen by many officials as necessary to bolster U.S. intelligence, the largest problem for the agency, and for the government and citizenry as well, may come in keeping the CIA from once again going too far afield within an atmosphere far more congenial than that of the mid-1970s.

The key document that is supposed to define what the CIA can and cannot do is Executive Order 12036, put into effect by President Carter three years ago as an outgrowth of the Senate committee investigation.

"ARTICLE APPEARED
ON PAGE 11"

THE VILLAGE VOICE
June 3-9 1981

Alexander
Cockburn
& James
Ridgeway

How Thirsty Is the Russia The Great Oil Blunder

WASHINGTON, D.C.—On May 17 of this year, Secretary of Defense Caspar Weinberger was asked on "Meet the Press" for the Reagan administration's rationale for selling the highly advanced AWACS radar planes to Saudi Arabia, over the passionate objections of the Israelis and their supporters in the United States.

Weinberger, himself deeply committed to the sale, replied: "[The AWACS's] principal use, and the principal reason the administration is supporting the sale to the Saudis, is that it would enable them to oversee and look much further into the invasion routes of Iran and Iraq and Afghanistan, where a possible Soviet thrust to the oilfields may come. With the Soviets going to be an energy importing nation in a few years, I think that is an essential capability to have."

But even as Weinberger once again invoked the specter of an oil-starved Soviet Union plunging towards the Gulf, he was well aware that not only had his own Defense Intelligence Agency long disputed this scenario, but that the Central Intelligence Agency was in the process of confessing to one of the most egregious failures of intelligence analysis of recent times, in its own estimate of Soviet energy needs in this decade.

Earlier that week CIA analyst James Noren had disclosed in a seminar at Harvard that the CIA had prepared a new report conceding that the Soviet Union would have no need to import oil by the mid-1980s. Two days after Weinberger's appearance on Meet the Press, Bernard Gwertzman reported Noren's remarks and the existence of the new CIA estimates in *The New York Times* for May 19.

Thus disappeared one of the major rhetorical planks of the Reagan-Haig foreign policy. For both the present administration and indeed its predecessor had proposed an impending Soviet energy crisis as

the Rapid Deployment Force and a U.S. military buildup in the Gulf region and the Indian Ocean. This view went almost undisputed throughout the 1980 election campaign, even though it seems that by the fall of last year the CIA was well aware that the predictions on which this view was based were ludicrously wrong.

Birth of a Blunder

The CIA's blunders began to circulate in 1977. In that year the Agency's Office of Economic Research issued a series of reports that amounted to major modifications of intelligence estimates of Soviet economic trends. In a report called "Prospects for Soviet Oil Production," the Agency predicted that Soviet oil output would start to fall by the late 1970s or early 1980s and that this drop could slow the growth of total energy production. "More pessimistically," the CIA said, "the USSR will itself become an oil importer." The report added that during the 1980s the Soviet Union might find itself unable to sell oil abroad, notably to its Eastern European clients, and would therefore have to compete for OPEC oil for its own use.

In a broader assessment the Agency concluded that the rate of growth of Soviet GNP was likely to decline by the early and mid-1980s to between 3 and 3.5 per cent per annum and could even sink as low as 2 per cent. This view was partly based on predictions of worsening problems in the energy sector.

Not everyone agreed with this dire estimate, which was instantly seized upon by the arms lobby as further justification for a major U.S. defense buildup, battling a presumed Soviet grab for new sources of oil. The Defense Intelligence Agency flatly dissented. And a major rebuttal came from the Joint Economic Committee in Con-

• Not only was the Soviet Union the world's largest producer of crude oil at the present time, but it had also the largest proven reserves of coal and natural gas. Its oil reserves were probably second only to those of Saudi Arabia, and it continued to make impressive gains in the development of its energy resources.

• In addition to supplying its own needs and those of Eastern Europe, Soviet energy exports to the West were on the increase, with oil exports worth \$5 billion in 1976.

• The boom in oil and gas-pipeline construction in the Soviet Union suggested that the country was giving high priority to the energy sector. The Soviets had built 5000 miles of pipeline in 1976 and 10,000 miles in 1977.

• The hard currency earned from oil sales to the West and the influence gained from sales to Eastern Europe were too important to Moscow to be lost by default: "Soviet leaders will probably take the policy initiatives necessary to preserve the USSR's status as a net oil importer. Possible new actions include major increased investment in the energy sector, substitution of natural gas and other energy sources for oil, and conservation."

The Blunder Reversed

Kaufman's assessment made little or no dent in the Washington consensus. The Soviet move into Afghanistan was seen, in the worsening cold war climate of late 1979 and early 1980 as but the prelude to more far-reaching incursions, all climaxing in an assault on the Middle Eastern oil jugular to the West.

In mid-1980 Senator William Proxmire held closed hearings in which he asked the DIA and the CIA for their latest views on Soviet oil production. A sanitized version of these hearings has now been released.

Frank Doe of the DIA put his agency's unchanged position straightforwardly: the

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GUARDIAN (U.S.)
6 May 1981

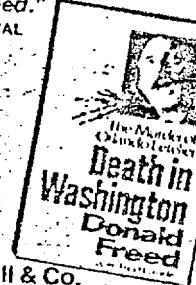
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DEATH IN WASHINGTON by

Donald Freed and Fred Landis accuse top U.S. officials, journalists and politicians of attempting to cover up the assassination of Orlando Letelier, Chilean diplomat, and American Ronni Moffett. The authors reveal how the C.I.A. instigated the overthrow of the democratically elected government of Chile and the murder of President Salvador Allende. □ They charge that **GEORGE BUSH** and **GENERAL VERNON WALTERS**, deputy director of the C.I.A., with full knowledge of the facts, attempted to whitewash the role of the Chilean junta in the Letelier assassination. Both men had advance knowledge of impending terrorism before the Letelier murder, as did **HENRY KIS-SINGER**. □ **MICHAEL VERNON TOWNLEY**, convicted of leading the assassination team, was a covert agent of the C.I.A. and trained by them in the use of explosives. **WILLIAM BUCKLEY**, as an undercover 'asset' of the C.I.A., set up a 'PR mechanism' used to cover up terror in Chile and abroad, after the 1973 coup. His brother, former **SENATOR JAMES BUCKLEY**, had close links with Michael Townley and members of the terrorist group 'Omega 7' involved in the assassination of Letelier and Moffett. □ **ALEXANDER HAIG**, Kissinger aide, took part in the 'Track I' planning to prevent democratic elections in Chile and to murder Chilean Chief-of-Staff General Rene Schneider. □ **DEANE HINTON**, the new ambassador to El Salvador, was part of the covert coup team in Chile, as he had been before in Guatemala. Hinton, a long time C.I.A. asset, was with Haig, an aide to Kissinger, during the planning of the coup in 1973. □ These are only a few of the prominent North Americans linked by the authors to the campaign of terror against the Allende regime and now supporting the El Salvador junta responsible for a reign of terror in that country—named in **DEATH IN WASHINGTON**.

"The authors... raise a number of serious questions that deserve explanations from those charged." Recommended."

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PHILADELPHIA BULLETIN
4 May 1981

THE NEW MISSIONARIES/Part 2

Another cross to bear CIA involvement seen

For more than 150 years, U.S. missionaries — Bible in hand — have traveled the world to spread God's word. But today's missionary ventures forth with a different mandate in mind, and often in the face of extreme danger. This is the second in a series.

BY PAULA HERBUT
Of The Bulletin Staff

The Summer Institute of Linguistics might seem to be an unlikely target of suspicions of Central Intelligence Agency (CIA) involvement.

A branch of the Wycliffe Bible Translators, the institute works in remote areas of the world, its missionary-linguists living for 15 to 20 years with remote villages of people who have no written language.

The linguists transcribe the unwritten languages into written form and then translate the New Testament into the language, converting the people to Christianity along the way.

But the fact that linguists spend years in remote areas arouses suspicion in some. So does their dedication to seemingly insignificant peoples — some of the villages the institute works with have as few as 100 people.

The institute also has contracts with the governments of the 36 countries it works in; it accepts some government grants from the U.S. and other countries for special projects, and in countries where suspicion of the U.S. government is strong, the institute has not escaped suspicion itself.

In Colombia, Chester A. Bitterman, 3d, a 28-year-old native of Lancaster, Lancaster County, was preparing to dedicate more than 15 years of his life as a missionary-linguist to a village of only 110 people.

He was one of 200 missionary-linguists and support workers in the country. There are 1,500 missionary-linguists with the institute around the world — another 300 provide staff members do support work such as maintaining supply bases or radio services or staffing the small jungle

But on Jan. 19, Bitterman was taken hostage by a group of left-wing guerillas, and six weeks later was murdered. The group charged that the institute was a CIA front. The institute denied involvement with any government intelligence agency — in fact, it forbids it, it said. Bitterman's father said that his son, a fundamentalist Christian, felt he was "led by God" into missionary work.

The institute has been a target for more than a decade of rumors that it has spied, set up missile bases, and even mined precious minerals or run drug operations in Latin American countries. The rumors have never been confirmed.

Bitterman's murder comes in the midst of widespread controversy in missionary circles over the role of U.S. missionaries in Third World countries and U.S. government funding of some missionary development projects and relief work.

It also has led to more specific actions by Protestant denominations. Among them is the United Methodist Church, whose Board of Global Ministries' World Division approved a policy this month that "no ransom will be authorized on the basis that such response places in jeopardy all personnel and programs of the church."

Espionage allegations against missionaries in Third World countries are not uncommon and do not center on U.S. missionaries alone. In

Iran, three British Anglican missionaries accused of spying were imprisoned for more than six months until the charges were dropped in February.

Past CIA use of missionaries was uncovered in 1975 during a 15-month investigation by the U.S. Senate Select Committee on Intelligence Activities. The final committee report said it had information that 21 missionaries were used by the agency in the 1950s and 1960s.

It was a different era. Among missionaries who helped the CIA was famed Catholic missionary doctor Tom Dooley.

Dooley, who died of cancer in 1961 at 34, served as an unpaid informer to the CIA in the 1950s when he was a doctor in Laos and Vietnam. He reportedly passed information about villagers' sentiments and troop movements near the Laos hospital where he treated the starving and wounded.

"He (Dooley) was a doctor and humanitarian. He thought this would help those people and help prevent communism taking over those countries," said the Rev. Maynard Kegler, a priest working for Dooley's sainthood.

Church groups now solidly oppose use of missionaries by the CIA, citing separation of church and state, fear that the practice would taint and endanger all missionaries and concern that government policy is not always identical to church stands.

"They go in as missionaries of the church, not as missionaries of the government," said Dr. Lois Miller, associate general secretary for the United Board of Global Ministries of the United Methodist Church, which — like many other denominations in recent years — specifically prohibits any CIA involvement among its missionaries.

In 1976 a public policy statement was issued by then-CIA Director George Bush that the agency had terminated its "paid or contractual" relationships with American clergymen and missionaries and would not renew them.

CIA internal guidelines in effect since 1977 state that "American church groups will not be funded or used as funding cut-outs (fronts) for CIA purposes." They also state that the CIA shall establish "no secret, paid or unpaid, contractual relationship with any American clergyman or missionary . . . who is sent out by a mission or church organization to preach, teach, heal or (proselytize)."

*ARTICLE APPEARED
ON PAGE 25*

SWANK

April 1981

THE BUSH CONNECTION

Is George Bush hiding the facts behind the Letelier assassination?

It was early morning on November 14, 1976 when a troubled George Bush slipped secretly and quietly into Miami. His boss, Gerald Ford, had just been defeated by Jimmy Carter and Bush's days as director of the Central Intelligence Agency, like those of his superior in the White House, were numbered.

An uncertain future wasn't troubling Bush that November morning. He had other, more immediate problems to deal with. He was in Miami because he was caught in a di-

Article by John Cummings

lemma. Bush had been ordered by Ford to cooperate with the Justice Department's investigation into the murder of Orlando Letelier, former Chilean Foreign Minister under Salvador Allende. Letelier, a leftist, had been head of the Chilean exile movement in the United States and had been disliked by the American-backed Chilean military junta. There was the rub for Bush. He had been ordered to investigate the murder, but he had intelligence "assets" to protect. And in his estimation, the "assets" were more important than the investigation.

Seven weeks earlier a radio-controlled bomb was placed under the eye-beam of Letelier's car. It exploded on Washington's embassy row, killing Letelier and a female passenger, Ronni Karpen Moffitt. The assassination came as a shock to a nation that thought such things could happen only in Beirut or Belfast . . . and the nation demanded an explanation.

Eighteen months after Letelier's death the case was pronounced "solved." Michael Vernon Townley, an American expatriate who worked as a professional assassin for Chilean intelligence and whose testimony convicted three Cuban exiles from New Jersey, was arrested. Two Chilean intelligence officials were charged with aiding in the murder but were not extradited. Two other exile terrorists were indicted, but never arrested. And the U.S. accepted at face value the statement of Chilean President Augusto Pinochet, who said that his intelligence agency acted alone, without presidential approval, in the Letelier murder.

An investigation of Bush's activities after Letelier's death turned up many peculiarities and much deception. Investigation showed that:

- Three months before his death the FBI knew that Letelier had been targeted for assassination . . . but did nothing to stop it.
- Though it took almost two years before indictments were returned against the conspirators, the FBI had the names of most of them no more than 72 hours after Letelier was murdered.

CONTINUED

At the end of an extraordinary week of allegations about Britain's security service, Mrs Thatcher officially cleared the former MI5 chief, Sir Roger Hollis, of working for the KGB. But two main questions remain: who leaked the suggestion in the first place? And, lay behind the accusations that the top level of MI5 had never been penetrated by Moscow? Answers to both can now be found.

IT IS MRS THATCHER genuinely intends to trace the source of last week's security leaks, she must venture back into one of the most bizarre periods of modern British politics—the Harold Wilson governments between 1964 and 1976.

It was here, in an atmosphere of suspicion and intrigue at Number 10 Downing Street that doubts about the reliability of MI5 were first voiced by Wilson himself, and by his political secretary Lady Falkender.

Within weeks of his resignation as Prime Minister in March 1976, Wilson sought means of making public those anxieties, and in a series of oblique approaches he began suggesting to various newspapers that there was something rotten in the state of Britain's security services which should be investigated. He put out feelers to the editors of The Guardian and The Observer, but in a so elusive a manner that neither appeared to understand that he was offering to help in pursuing an enquiry.

He then approached the BBC and began an extraordinary series of interviews with two reporters, Barrie Penrose and Roger Courtois. By talking to them, and confirming what he had said to the BBC's Director-General, Sir Charles Curran, Wilson was dismantling the hallowed convention that a prime minister never discusses with outsiders the innermost secrets of the state.

In the course of those talks first Wilson, then at great length and detail, Lady Falkender made a series of devastating allegations about security matters. When some of these first surfaced in

by Barrie Penrose,
Colin Simpson
and Simon Freeman

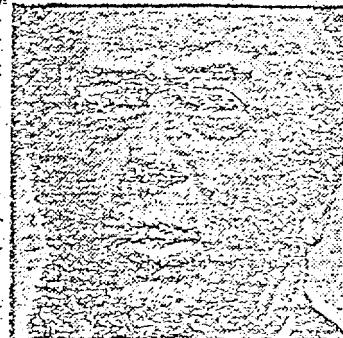
with suspicion and often open disbelief. But events have served to confirm many of them.

Lady Falkender told Penrose and Courtois in March 1977, that there was a faction within MI5 which was convinced that the former head of that service was working for the KGB. "Harold told me, 'I've heard everything now.' I've just been told that the head of MI5 may have defected to the Russians," she said. Last week the Hollis affair broke into the open.

She talked in July 1977, about the "fourth man" in the Philby affair, and mentioned "the keeper of the Queen's pictures." In 1979 Anthony Blunt, who once held that job, was revealed as a KGB agent.

She disclosed in March 1977, that a former British ambassador in Moscow had been compromised by the KGB. "He was not a defector. But he was absolutely ensnared in a KGB plot," she said. "He had been in bed many times with someone he thought was the maid, but who wasn't." Earlier this year, The Sunday Times named that ambassador as Sir Geoffrey Harrison.

In the course of those talks first Wilson, then at great length and detail, Lady Falkender made a series of devastating allegations about security matters. When some of these first surfaced in



Wilson: "I see myself as the big fat spider."

In July 1977, she told the story about plans for a military coup discussed in 1966 by Lord Mountbatten and others. Harold was told during the week after his resignation announcement [in March 1976], she said.

"Solly" (Zuckerman) volunteered the whole background to the coup." On page 2 The Sunday Times discloses how far those coup discussions went.

It is clear that the "Hollis affair" owes its origins to these conversations. Penrose and Courtois reported the suspicions about a former head of MI5 in their book The Pencourt File. Although they had established that the suspected chief was Hollis—and had talked to Hollis's widow—they decided that the evidence was not strong enough to justify using the name. And it is significant that Wilson himself said at the time that Hollis might have been deliberately smeared by a hostile faction within MI5. "He has got doubts," said Lady Falkender. "He wasn't sure whether that particular individual might have been moderate and friendly and reliable, and the others had wanted him to do well."

No longer fully trusting the information he was getting from the security services, Wilson made an unprecedented move for a

final junction.shire in 1975, the Oxford historian Martin Gilbert, official biographer to Sir Winston Churchill, took notes as a retired senior figure in the Ministry of Defence discussed whether Lady Falkender really had "security clearance" (she did). Also present was Chapman Pincher and a man with supposed MI5 links. Gilbert, who was deeply concerned that the conversation, passed his notes on to Wilson.

And at a London dinner party some months later, officials with MI5-connections openly discussed the "fact" that Wilson and Lady Falkender had communist links. Again Wilson learned of the discussion.

Wilson's basic concern was that British Intelligence—or a section of it—had been quoted by reliable witnesses as being the actual source for such rumours. His first action was to call in the late Sir Maurice Oldfield, then head of MI6.

Before he went on holiday to the Scillies in August 1975, Wilson learned from the MI5 chief that a group of security service officials was vehemently anti-Labour and anti-Wilson.

Shortly afterwards, according to Wilson, the head of MI5, Sir Michael Hanley, confirmed that within his service was a disaffected faction with extreme right-wing views. Wilson and Lady Falkender posed the question: if he could not trust a section of MI5, how could he ask them to investigate impartially the rumours which were being made about himself and his entourage at Number 10? No longer fully trusting the information he was getting from the security services, Wilson made an unprecedented move for a

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NEW YORK TIMES
25 MARCH 1981

Text of White House Statement

Special to The New York Times

WASHINGTON, March 24—Following is the text of a statement issued today by the White House press secretary, James S. Brady, on the decision to place Vice President George Bush in charge of foreign policy "crisis management":

I am confirming today the President's decision to have the Vice President chair the Administration's "crisis management" team, as a part of the National Security Council system.

The purpose of this team is to coordinate and control all appropriate Federal resources in responding to emergency situations both foreign and domestic. The type of incident that might be involved ranges from an isolated terrorist attack to an attack upon United States territory by a hostile power.

During any emergency, the President would, of course, be available to make all critical decisions and to chair the crisis management team as his

presence may be needed. Vice President Bush's role is to chair the team in the absence of the President. Of great importance, he will also engage in forward planning for emergency responses, develop options for Presidential consideration and take the lead in the implementation of those decisions.

President Reagan's choice of the Vice President was guided in large measure by the fact that management of crises has traditionally—and appropriately—been done within the White House.

As in the past, the National Security Council staff will provide the administrative and other staff support to the President and the Vice President for the crisis management team.

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NEW YORK TIMES
25 MARCH 1981

HAIG OPPOSES PLAN FOR NEW BUSH ROLE BUT REAGAN MOVES

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, March 24 — Secretary of State Alexander M. Haig Jr. today publicly questioned a White House plan to put Vice President Bush in charge of the Administration's "crisis management" team. Hours later, the Administration named Mr. Bush to the post.

There was no immediate reaction from Mr. Haig, who had seemingly put his prestige on the line in telling a House Foreign Affairs subcommittee this morning that he regarded the possibility of Mr. Bush getting the position with "a lack of enthusiasm."

He said then that no decision had been conveyed to him, but if such a move did happen, "this would pose another set of problems." He was not asked by any Congressman to amplify what seemed to be a warning.

Asked this morning if he was satisfied with the current system for handling foreign affairs, Mr. Haig said, "No."

'Evolutionary Process' Continues

"I'm not, simply because it's an evolutionary process that's under way," he said. "A number of practices, procedures, have yet to be formalized and put in place."

The Bush decision was announced by James S. Brady, the White House spokesman, early this evening after reporters had earlier been told by him that the matter had not been resolved and that no further announcements would be made on the issue.

The announcement said that Mr. Bush, as part of the National Security Council system, would "coordinate and control all appropriate federal resources in responding to emergency situations both foreign and domestic."

A New Post for a Vice President

The announcement said that Mr. Reagan was guided in large measure "by the fact that management of crises has traditionally, and appropriately, been done within the White House."

The post is, however, a new one for Vice Presidents. In the 1950's, Secretary of State John Foster Dulles was the "crisis manager" for President Eisenhower, a fact noted by Mr. Haig this morning when he registered his unhappiness with apparently being bypassed in favor of Mr. Bush.

In a recent years, the chief crisis manager has been the President's national security adviser, but the choice of Mr. Bush was apparently dictated by the White House's desire not to give the position to Richard V. Allen, Mr. Reagan's national security adviser.

No mention was made in the announcement of what role Mr. Haig might play. The personnel for Mr. Bush's committee would be supplied by Mr. Allen's staff, the announcement said.

Mr. Haig's remarks suggested the possibility that he might resign or take some other action if Mr. Bush was given the job. But a department spokesman was authorized to say tonight that Mr. Haig had no intention of resigning.

It was understood that President Reagan decided to go ahead with the choice of Mr. Bush to head the crisis-management team this afternoon after White House aides urged him not to let Mr. Haig's comments remain unchallenged. The President telephoned the decision to Mr. Haig late in the day.

The decision to place Mr. Bush in charge of crisis management followed reports that had circulated for several days that he would be given the same kind of responsibility given to Henry A. Kissinger and Zbigniew Brzezinski when they were national security advisers. Mr. Bush, a former director of Central Intelligence, also headed the American missions to China and the United Nations.

Defense Dept. Approves Decision

The announcement of Mr. Bush's appointment was welcomed at the Defense Department. A Pentagon official said that Defense Secretary Caspar W. Weinberger was pleased with the choice and believed that Mr. Bush was "thoroughly knowledgeable and experienced."

Mr. Weinberger was said to believe that this would permit all information and ideas to get to the President without the bias of the State Department, Defense Department, Central Intelligence Agency or any other agency.

He was said to be ignorant of any unhappiness by Mr. Haig with the choice of Mr. Bush.

At the hearing this morning, Representative Dante B. Fascell, Democrat of Florida, the subcommittee chairman, asked Mr. Haig about the press reports that Mr. Bush would "bypass" him. "My instinct tells me that you wouldn't permit that to happen," Mr. Fascell said.

Haig Tells of 'Lack of Enthusiasm'

"I read with interest and, I suppose, a lack of enthusiasm the same newspaper reports that you general RDP91-00901R00010002000 said. He said that while Mr. Reagan has the 'prerogative and obligation' to de-

sign his own national security structure, "I don't think a decision has been made on this issue; at least it has not been discussed with me if one has been made."

In discussing the general problem of handling security and crisis matters, Mr. Haig referred approvingly to the 1950's when President Eisenhower used to meet daily, he said, with Secretary of State Dulles. Mr. Dulles, he said, "was the crisis manager" in handling day-to-day or major problems.

After the Eisenhower Administration, there was a succession of national security advisers who began to play increasingly important roles in coordinating and directing policy during crises. In the Carter Administration, Vice President Mondale was used extensively in foreign affairs matters but did not have a regular assignment to coordinate policies.

Role of Advisers Described

This morning, Mr. Haig seemed to criticize the prominent role being played in foreign affairs by Mr. Reagan's close advisers, such as Edwin Meese 3d, the White House counselor, and James A. Baker, the chief of staff, as well as Mr. Allen.

He said that whatever structure was finally approved for dealing with foreign affairs and national security issues, "It has got to have the imprimatur and reflect the desires of the President, who is the elected official who is held responsible by the people for these matters."

"Next to that, of course, are those officials who have undergone the confirmation process with the legislature and who traditionally the American people have held responsible under that process," he said, seeming to drop the advisers, who are not subject to confirmation, to a more lowly status.

Mr. Haig also indicated that he wanted the State Department to play an increasingly important role in directing foreign trade policies, even though that would seem to bring it into conflict with the office of the Special Trade Representative, Bill Brock.

"There is an overlap, if you will, a joint responsibility between Mr. Brock and myself," he said. "I lean heavily on fundamental policy, and the linkage and the relationship of our conduct of our affairs with another nation, and he must pull together the essentially domestic constituencies on a given trade issue."

Mr. Haig's aides have also been unhappy with Mr. Allen's seeming ability to play a direct role in policy making even though Mr. Haig had earlier understood that Mr. Allen would only be a personal staff aide to Mr. Reagan and not be in a position to interject himself into a decision.

Office of the Press Secretary

For Immediate Release

March 24, 1981

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Statement by the Press Secretary

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President Reagan's choice of the Vice President was guided in large measure by the fact that management of crises has traditionally -- and appropriately -- been done within the White House.

As in the past, the National Security Council staff will provide the administrative and other staff support to the President and the Vice President for the crisis management team.

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THE CHRISTIAN SCIENCE MONITOR
24 March 1981

25X1A

Vice-President's portfolio grows

By Godfrey Sperling Jr.
Staff correspondent of The Christian Science Monitor

Washington Vice-President Bush is assuming more than just the strong advisory role that Walter F. Mondale had under President Jimmy Carter. President Reagan also is giving Mr. Bush important line responsibilities.

- It appears that the Vice-President will head a new structure for national security crisis management. One White House aide says, "We'll be leaning on Bush's expertise in foreign policy [as former US ambassador to the UN and US liaison to the People's Republic of China] and in the intelligence area [as a former CIA director]."

- Bush is in charge of the President's regulatory reform task force, a major component of Reagan's economic program.

- The Vice-President also heads the President's Atlanta committee, which is directed to help that city solve the killings of children there.

- Additionally, Bush has been given the leadership responsibility in preparing the President for the three-way meeting of Canada, Mexico, and the United States in Ottawa this summer. He soon will set up a committee to propose an agenda for the meeting and to produce the issues papers the President will use for preparation.

Referring to the Vice-President's newest assignment, one administration aide cautioned, "The presidential directive putting Bush in charge of crisis management has not come out yet — but I'm confident that it will."

In undertaking this task, Bush will assume the important job of chairing meetings in the Situation Room in time of crisis, a job once held by National Security Adviser Zbigniew Brzezinski under Mr. Carter.

The President long has made it clear that National Security Adviser Richard V. Allen would keep a low profile in this administration.

Secretary of State Alexander Haig, Secretary of De-

fense Caspar Weinberger, or CIA Director William Casey might have been deemed logical choices by the President to head his crisis-management team.

Bush was suggested by presidential associates as being someone whose credentials were so impressive and his position so lofty that he would be a most acceptable compromise selection.

How important has the Vice-President become?

A presidential aide says, "He is almost a co-president. He attends almost all the meetings the President attends. The President values him because he knows the right questions to ask and where to look for the answers."

A another source, close to the Vice-President, said Bush's place in this administration should not be overstated. He said that "the President is building on the Carter-Mondale relationship where Mondale clearly played a major advisory role. I understand that basic to that relationship was a tie of real friendship. That's what binds Reagan and Bush, too. They really like each other."

"I would say," the source continued, "that Bush is playing a fairly prominent role. And he's holding down line jobs across the board — domestic, foreign, even defense."

The Vice-President and his aides are trying to play down his activities.

"You will notice," one Bush assistant points out, "how supportive Mr. Bush is of the President. Much of his many public utterances are in support of this or that Reagan program."

In a recent Monitor interview, Bush said he had a great opportunity under President Reagan to play a valuable, substantive role. But then he said that he might "blow it" by forgetting that his ability to function meaningfully depends entirely on the President.

Bush said that if he began to hold press conferences and talk about all the things he was doing as Vice-President, this of itself would give the President justification for cutting him down.

Soviet military 'outspending':

25X1A

JOHN O'GRADY

At a time when other departments are facing massive budget cuts, President Reagan has exempted the Pentagon, because, "I know that you're all aware, but I think it bears saying again: that since 1970 the Soviet Union has invested \$300 billion more in its military forces than we have."

I, however, am not aware. Examination of the CIA study from which President Reagan got the \$300 billion figure reveals that his exemption is based on a statistical construct so flimsy it borders on the fraudulent.

In 1976, the CIA stopped publishing estimates of real Soviet military spending. This was done after admitting that the agency's 25-billion ruble estimate of annual Soviet military spending had been 100 percent too low on the grounds that "the Soviet military production complex is ... about half as efficient than we thought it was." This should have comforted those who fear that the Russians are coming. Instead, defense industry lobbyists and others have used the doubled figures to argue that America should quickly respond with higher military budgets. For example, in "The Real War," Richard Nixon wrote, "Thanks in part to this intelligence blunder, we will find ourselves looking down the nuclear barrel in the mid-1980s."

The estimation of real Soviet defense spending is tricky for at least two fundamental reasons: Soviet secrecy is almost impenetrable and the workings of the Kremlin's command economy are difficult to translate into terms familiar in the West. When, in 1976, the CIA discontinued publication of its studies of real Soviet military spending, the agency — under George Bush — began the annual publication of the estimates of hypothetical Soviet spending referred to by President Reagan. Today, the hypothetical estimates are so commonly mistaken for real estimates that on the campaign trail Bush himself said, "Moscow is spending \$50 billion more than we are on defense right now."

The hypothetical dollar numbers in question are actually estimates of how much it would cost American taxpayers to finance the military effort of the USSR.

In the 1981 dollar study, the CIA claims that the estimates are "unbiased" and subject only to "random errors." The study fails to point out that many of the CIA's estimates of Soviet arms costs are provided by US weapons manufacturers — who can hardly be expected to produce unbiased figures.

Because we often don't have accurate information on the nature of Soviet research and development (R&D) work, it is especially difficult to estimate the costs of R&D. The CIA study notes that although the

It doesn't add up

R&D cost estimate is growing rapidly, it is very unreliable.

In the CIA's calculus, Soviet conscripts, who receive a base pay of four rubles per month, are assigned American base pay of \$500 per month. Not only do the CIA-created costs of Soviet manpower have nothing to do with the Kremlin's payroll, but also every time we give our men a pay raise of \$1, Soviet dollar costs increase by almost \$2 because the Red Army is so much more manpower-intensive than our own. Under this statistical construct the faster we run the farther behind we get. If President Reagan's announced goal of making American military wages more competitive with civilian salaries is implemented this year, the Soviet dollar threat will look even greater next year.

The CIA claims that a secret panel of outside economists has approved the CIA costing procedures and verified the aggregate results. Publicly, however, outside economists repeatedly denounce the CIA estimates. Professor Steven Rosefielde, a specialist of the Naval Postgraduate School, says that the CIA numbers have an "unacceptable discretionary element in them" and are "unreliable in dollars ... unreliable in rubles."

Even if the dollar numbers are reliable estimates of how much it would cost to duplicate Soviet military effort in the United States, they would seriously overstate actual Soviet costs. What is efficient to produce in the manpower-intensive economy of the USSR is frequently inefficient to produce in our more capital-intensive, technologically advanced economy. This is such an important factor that last year's Pentagon comptroller confidently testified that the so-called 'gap' in spending largely disappears when relative Soviet-American efficiencies are considered.

Even if we assume that the CIA dollar figures do represent estimates of real Soviet military spending, the trend is quickly reversed when alliances are compared. By former Secretary of Defense Harold Brown's calculations, NATO has outspent the Warsaw Pact by at least as much as the Soviets have outspent America in the years since 1970. If Chinese forces are included on our side, the anti-Soviet bloc spending lead is even greater than \$300 billion.

If President Reagan and other influential American leaders were to re-evaluate the hypothetical CIA dollar estimates of Soviet military activity, they might stop jacking up the Pentagon's budget on the grounds that the Soviets are "outspending" the United States.

John O'Grady is a consultant at the Center for Defense Information, a nonprofit public-interest research organization in Washington.

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THE WASHINGTON POST
27 February 1981

VIP

Morgan Mason's Early Reshufflement

By Maxine Cheshire

When best-selling author Ovid Demaris gets through having the last word on "The Last Mafioso" on his nationwide book tour, he's planning to have a last laugh on Frank Sinatra.

Demaris says a \$1 million movie sale has fallen through — in part, he feels, because moviemakers may be afraid of risking Sinatra's ire. Demaris is negotiating with Times Books, a division of The New York Times Book Co., to write the definitive Sinatra biography.

According to Demaris, Sinatra is more than a little annoyed at the 43 mentions of the entertainer in Demaris' book on the life of mob hit-man Jimmy (The Weasel) Fratianno, who claimed that Sinatra had once asked him to break a man's legs.

Demaris has been widely quoted in the Hollywood trade publications and elsewhere as saying that Sinatra has put out the word he will be displeased if any studio turns the Fratianno memoirs into a motion picture. Through his lawyer, Sinatra has denied Demaris' charges.

Demaris knows a lot about the singer, and Fratianno's book offers some interesting vignettes.

One of the most fascinating is Fratianno's claim that the widowed Jacqueline Kennedy Onassis was "nuts" about Sinatra at one point and that he jilted her after she started talking about marriage.

That was before Sinatra had been identified publicly as the man who introduced JFK to Judith Campbell Exner, but he was already known to the former first lady as a man who had been banned from the "Camelot" White House.

There will probably be a whole chapter on a little-known episode in the Sinatra saga which took place at a party in New York in February 1976, where the singer went to a lot of trouble to corner CIA director George Bush and offer to be of help.

The incident, reported in The Boston Globe on April 15, 1976, was picked up by the wire services at the time but not widely circulated or read. The offer resurfaced recently because of Sinatra's increasingly close ties to the Reagan-Bush administration.

Last weekend, Sinatra was conspicuously present at a party in Los Angeles at which Attorney General William French Smith and two other Reagan appointees — Vatican Envoy William Wilson and Protocol Chief Lee Annenberg — were guests of honor.

Sinatra's desire to meet George Bush in 1976, one month after he took over the CIA, attracted very little notice from the national media despite the fact that Bush was asked about the incident the next day when he appeared before the American Society of Newspaper Editors.

Bush refused then to comment on a detailed story on the Sinatra overture by The Globe's New York bureau staffer, Robert Lensner.

In Lensner's account, verified independently by The Washington Post this week, Sinatra had asked television producer Paul W. Keyes, who knew Bush, to call the new CIA director and arrange a meeting.

Bush invited Keyes and Sinatra to meet him the next afternoon for cocktails at the apartment of Bush's brother, Jonathan, a Manhattan stockbroker.

Sinatra, during a 45-minute visit, reportedly offered his services to his country and the CIA, telling Bush he was always flying around the world, "meeting with people like the shah of Iran and the royal family of Great Britain." George Bush, through a spokesman this week, said he had never met Sinatra until the singer asked for the meeting.

The spokesman said Bush did not view Sinatra's offer as an attempt to get on the CIA's payroll, but interpreted it as a patriotic gesture along the lines of, "If there's ever anything I can do for my country, let me know . . ."

According to Mrs. Bush, President Ford was so "upset" when he learned of Sinatra's offer that he called personally to make sure that Bush did not take him up on it.

Bush's press spokesman, Peter Teeley, denies that any such phone conversation ever took place between Ford and Bush.

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 ARTICLE APPEARED
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 THE WASHINGTON POST
 16 February 1981

Moscow Said To Solicit U.S. Attaché

Recruiting Attempt Reportedly Designed To Make Envoy Spy

By Kevin Klose

Washington Post Foreign Service

MOSCOW, Feb. 15 — Soviet secret police last month sought unsuccessfully to blackmail and recruit as a spy a U.S. Army attaché stationed in Moscow who is a candidate to be a military adviser to Vice President Bush, a position in which he would have access to high national secrets, reliable sources say.

The sources said the attempt to recruit Maj. James R. Holbrook may have included use of drugs to incapacitate him and a military colleague, efforts to arrange compromising photographs of Holbrook and an offer of "help" from a Soviet colonel whom Holbrook knew from a previous Eastern Bloc assignment and who mysteriously appeared on the scene at a crucial moment.

The U.S. Embassy here has refused all comment on the incident, which the sources described as the most serious — although crude — attempt to compromise and recruit a U.S. Embassy staffer in Moscow in recent years. The attempt failed when Holbrook and his traveling companion, Army Lt. Col. Thomas A. Spencer, immediately reported the setup to their superiors, the sources said. Holbrook since has returned to Washington with his family.

[Holbrook, contacted at his suburban Washington home, refused to discuss the incident, saying he was told "by our PR guys that this is an obvious no comment situation. I can't tell you anything." A State Department spokesman refused to comment, saying, "We cannot confirm or deny the story."]

[Peter Teeley, press secretary for Bush, said Holbrook was one of four persons recommended by the Army for the job of special military adviser to the vice president. He said no action has been taken on Holbrook's or the other nominations and the job is so far unfilled.]

Sources here said the entrapment attempt occurred in the western Ukrainian city of Rovno, apparently shortly before Washington ordered Holbrook home for an interview for the job with Bush.

Observers speculate that Soviet intelligence may have learned that Holbrook was a prospect for the position with Bush, where he could have access to sensitive Reagan administration secrets, sit in on military strategy sessions and see highly classified information of the United States and its allies.

Holbrook, 41, a career officer highly regarded by the foreign community here as a Soviet affairs specialist with perfect command of Russian, had been in Moscow since April 1979. He was transferred back to Washington on Jan. 17, sources said. Spencer is still assigned to the embassy.

Sources said the incident occurred the week of Jan. 12, when Spencer and Holbrook went to visit Rovno and Lvov, the Carpathian military district headquarters city. Both are near the Polish border, and U.S. officials have been attempting to determine the state of Soviet military readiness in that region. Soviet secret police closely follow and watch foreign attachés on such trips.

While the two were in Rovno, the sources said, Spencer was taken ill, possibly having been drugged, and he and Holbrook became separated. Attachés always travel in pairs because of the dangers inherent in being alone under constant close scrutiny by Soviet agents.

The sources say Holbrook then became the target of an entrapment attempt that centered on efforts to get compromising photographs of him.

At this point, sources said, a Soviet colonel whose identity is unknown but who was said to have been acquainted with Holbrook from an earlier assignment in Potsdam, East Germany, intervened with the recruitment attempt.

Holbrook is said to have flatly turned the Soviets down. Some sources said that for several tense hours, the Soviets pressured the isolated Americans and refused to allow them to communicate with the embassy or to leave Rovno.

The embassy's tight lid on information about the incident has ruffled other foreign attachés who want to be briefed so they can guard against the same thing happening to them.

The last known major drugging incident occurred in 1968 when a British and an American officer were reportedly drugged during a trip to Moldavia. They recovered in their rooms and returned to Moscow.

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America's Most Interested Man

By DAVID WISE

WASHINGTON—If the capital can be compared to a three-ring circus, if a great deal is going on all at once, it is also true that, sometimes, more can be learned by watching the sideshows than the center ring. The future of American intelligence activities under President Ronald Reagan is a case in point.

When a friendly Senate Select Committee on Intelligence held its hearing in January on the President's nomination of his former campaign manager, William J. Casey, to be director of Central Intelligence, the television lights bathed the ornate Senate caucus room in a white glare and the reporters and photographers almost outnumbered the spectators.

A much more modest turnout greeted Navy Vice Adm. Bobby Ray Inman, director of the super-secret National Security Agency, the nation's code-breaking arm, when he appeared quietly before the same committee on Feb. 3 as Reagan's choice for deputy director of the CIA. Unnoticed by most observers, Inman let an interesting cat out of the bag.

While being questioned by Sen. Daniel K. Inouye (D-Hawaii), Inman explained that Casey expected him as deputy to improve the quality of U.S. intelligence and the agency's estimative functions—its ability to predict future events. Inman added: "He (Casey) will concentrate to a substantial degree on the covert operations, clandestine collection sides of the business."

Those are the sides of the intelligence business, of course, that Casey learned during his World War II experience with the Office of Strategic Services (OSS). As chief of secret intelligence for OSS in Europe, Casey infiltrated agents, some by parachute, into Nazi Germany to report on targets for air attack.

That Casey would wish to concentrate on the CIA's covert operations and clandestine collection is thus not wholly surprising, but Inman's comment is nevertheless an intriguing straw in the wind. It suggests that, under the Reagan Administration, the CIA may well increase the scope and number of its covert operations.

Certainly the climate is right. Casey and Inman have taken over the helm of the CIA under a President who is firmly committed to a stronger military and intelligence establishment. For the first time in the nation's history, a former CIA director, George Bush, is vice president. And, with the Republicans in control of the Senate, the CIA now has a good friend, conservative Sen. Barry Goldwater (R-Ariz.), as chairman of the Senate committee overseeing the agency.

There is an important structural change as well. The CIA has succeeded in abolishing the Hughes-Ryan Amendment, which had required it to report on covert operations to eight committees of Congress. Under the new law, the CIA need only report to two congressional panels, the Intelligence committees of the Senate and the House. During the mid-1970s, Congress investigated and revealed widespread abuses by the CIA, the FBI and other intelligence agencies—drug testing, mail opening, cable reading, domestic spying. Cointelpro-

ping, bugging, a that the CIA had sinate Fidel Cas world leaders. I lengthy proposed were introduced i The intelligen which would hav their powers, an publicity. Presid that was left of t Oversight Act of

the two intelligence committees prior notice of "significant" covert operations—but allows him to explain later if he chooses not to comply. The law does require the President and the CIA to furnish "any information" on intelligence demanded by the committees, but it is a far cry from the massive "charter" legislation once envisioned.

William E. Colby, a former director of the CIA, says that covert activities—both political and paramilitary action—now account for only 3% or 4% of the CIA's budget, compared with 50% in the 1950s and 1960s. "I hope it will increase," he said, "because I think there are areas of the world where a little covert action can forestall much more serious problems later." Covert action, Colby maintains, can "avoid a situation of seeing a place descend into chaos or, alternatively, being tempted to send in the Marines."

Casey answered cautiously when the senators asked about covert operations at his confirmation hearing. Rigging elections, intervening in the internal affairs of another nation, he replied, "that kind of thing you only do in the highest interest of the country."

Just how far will the CIA be unleashed? "No one can predict whether the new oversight system is going to work," said Jerry J. Berman, legislative counsel to the American Civil Liberties Union, one of the groups that fought and lost the battle for charter legislation. "You have Goldwater who has said there are secrets he'd rather not know—he wishes he knew less. On the House side, the Intelligence Committee is more conservative and less balanced."

It is also clear that one of Goldwater's top priorities will be passage of a bill to protect the identities of intelligence agents. Such legislation failed to pass last year, but an identities bill was reintroduced on Feb. 3 by Sen. John H. Chafee, a moderate Republican from Rhode Island, and four bills have been introduced in the House.

Pressure for such legislation has mounted as a result of several factors: the exposure of the names of dozens of agents in the book by Philip Agee, a former CIA officer, and the assassination in 1975 of Richard Welch, the agency station chief in Athens, who had several months earlier been identified as a CIA man by the magazine CounterSpy. More recently, in July, 1980, gunmen attacked the Jamaica home of N. Richard Kinsman, who

Rowland Evans and Robert Novak

Van Cleave as SALT Negotiator?

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The confidential recommendation to President-elect Reagan for "a pause" in new SALT talks, coupled with the possibility of defense strategist William Van Cleave's becoming Reagan's arms control negotiator, points to a decisive break with arms control philosophy that any SALT treaty is a good SALT treaty.

The unpublicized proposal for Reagan to go slow in new superpower nuclear arms talks came 10 days ago from the transition team turned loose on the Arms Control and Disarmament Agency. Now required reading by Reagan's national security strategists, the report is described by those who have studied it as "exactly what the president-elect wants."

It espouses full linkage, advocates complete disclosure of widely alleged Soviet violations of past agreements and insists that the rebuilding of U.S. military strength to provide a "margin of safety" should precede a new SALT treaty.

That happens to coincide with arms control philosophies long held by Van Cleave, the brilliant iconoclast whose undiplomatic candor has cost him the Reagan administration posts he most wanted: the second or third top Pentagon job under Defense Secretary Caspar Weinberger. During the presidential campaign, Van Cleave was Reagan's principal adviser on arms control, a policy area intimately known to the University of Southern California professor.

What Weinberger and other top-level Reaganites have found abrasive about Van Cleave both during the campaign and more recently in the post-election transition could be his greatest asset as chief American negotiator with stony-faced Soviet bargain-hunters in the

Kremlin. "Bill as our nuclear arms negotiator," a Reagan insider privately remarked, "would be exactly right in sending Moscow the message that Reagan is one president who won't be rolled over on SALT."

Van Cleave was a member of the 1971-72 arms control negotiating team but resigned before the Nixon administration accepted and signed SALT I in Moscow in 1972. But in testimony before a Senate subcommittee headed by Sen. Henry Jackson, he warned that the treaty contained weaknesses that might prove dangerous in the future—a prophecy that has come all too true in the past eight years.

Van Cleave also served on Team B, the famous group of outside experts appointed in 1976 by then-Central Intelligence director George Bush as a check on the CIA's own expert assessment of

U.S. and Soviet military strength.

Conceivably, Van Cleave, whose reputation for intellectual honesty emerged unscathed from his battles with Weinberger and other Reagan insiders, might decide that being chief arms control negotiator is a challenge not large enough for him. Reagan agents sounding him out on the prospect think he can be won over, mainly with the argument that no one else could have as much symbolic impact on Moscow.

An equal argument might be found in the strong tone of the ACDA transition team's report to the president-elect and the fact that it is having an enthusiastic reception by senior Reagan advisers. The team was headed by James Malone, ACDA's general counsel during the Nixon-Ford administration. Its central proposal: that until completion of a "thorough, interagency reassessment of

all arms control and national security strategy . . . a pause in all arms control negotiations" is essential.

If, as expected, that becomes the president-elect's policy, the Reagan administration would follow an arms control strategy exactly opposite that of Jimmy Carter four years ago. Carter rushed into SALT talks with Moscow, but when he got an agreement 2½ years later, opposition ran so high that he did not even try to push it to a vote in the Senate.

Reagan's transition team warns against "unilateral arms reductions" by the United States in hope of enticing Soviet reciprocity. That is a deliberate reminder of the Alice-in-Wonderland arms control theory of the Carter administration during its blinkered days when Carter claimed the West no longer need have an "inordinate fear" of communism. The report's strongest argument for going slow is that SALT has become "a permanent excuse for Western failure to come to grips with the Soviet military challenge," a dictum Van Cleave himself might have written.

The shrewd move to confront the Soviets with the cold-steel will and determination of Bill Van Cleave as chief American SALT negotiator could help put arms control, which is clearly an important aspect of the superpower relationship, into proper perspective after 10 years of dangerous experimentation.

Senate critics who would try to shoot down Van Cleave would soon learn this fact: Reagan wants a new SALT treaty, but a treaty that is good, not bad or only fair, for the United States. With Van Cleave as his negotiator, he would not lose any sleep worrying.

EUGENE OREGON DAILY EMERALD
19 November 1980

CIA hires more than just trenchcoat owners

By MIKE RUST
Of the Emerald

No one has to own a trenchcoat to work for the Central Intelligence Agency.

"Most people don't realize that we do hire many, many types," says Bill Cooley, the CIA's Northwest representative.

Cooley was on campus Tuesday taking applications from students interested in obtaining employment with the agency.

Last year, the presence of CIA recruiters on campus drew demonstrators, but this year, Cooley's visit came off quietly.

The demonstration last year took place after Cooley had already left campus.

The 20-year employee of the agency says there has been a discernible change in attitude toward the CIA during the four years he has been involved in recruiting.

"You'll probably still find some people who are critical," Cooley says. "But the general consensus is that it's a necessary function. I don't run into too many hostile professors or students."

Through his San Francisco office, Cooley recruits students from colleges and universities in the Northwest and in northern California. He personally visits all the schools, with the exception of the University of California-Berkeley campus.

And even there, he says, he is on good terms with faculty members and placement counselors.

The change in attitude on the campuses is concurrent with the attitude of the country, he says.

"I think the American majority — the 'silent majority' — really feels you've got to have some kind of intelligence source."

The limitation of government control over the CIA is a matter being debated both nationwide and in Congress. Cooley says CIA employees are aware of the need for government control, but are also concerned about the accessibility of CIA information to "the opposition."

"When I say 'opposition,' I'm not talking about the citizens of this country," Cooley says.

"No organization should not be controlled," he says. "Our only concern is that we do have safe ways to coordinate our efforts with the federal government."

One thing the CIA shares with other government agencies is a concern over funding. Cooley says that the funding of the hiring program under the Reagan administration is unknown. However, Vice-Pres.-elect George Bush, a former agency director, is regarded as an agency ally.

"We liked him very much as director," Cooley says. "He was very understanding of the mission of the agency and supportive. We hope he's a good omen."

Most employees of the agency work in some two dozen offices in departments of administration, national foreign assessments, operations and science and technology.

Agency intelligence operatives — who most lay people refer to as spies — make up only a tiny amount of the agency's employees. Currently, the agency is looking for people with backgrounds in electronics, engineering, computer sciences, foreign studies, languages, mathematics or photographic interpretations.

Everyone from engineers to editors are employed, Cooley

says, most of them in unclassified activity. Many of the jobs offer overseas opportunities.

Response is good, Cooley says. An ad run for one day in the Seattle Times garnered 250 responses.

But what if you do want to be a spy?

Cooley says that the agency looks for "maturity" in its operatives and it helps a lot if the applicant has a background in a foreign language as well as a desire to live and work abroad.

"We look for flexible, imaginative think-on-your-feet types."



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RONALD REAGAN-SOVIETS, 450

REAGAN TRANSITION WARNED OF APPROACHES FROM SOVIET AGENTS

BY ROBERT PARRY

ASSOCIATED PRESS WRITER

WASHINGTON (AP) - RONALD REAGAN'S TRANSITION TEAM HAS BEEN WARNED BY THE CIA TO BE ALERT FOR APPROACHES FROM SOVIET AGENTS FOLLOWING TWO SUCH CONTACTS ALREADY MADE WITH RIDES TO THE PRESIDENT-ELECT, A REAGAN TRANSITION OFFICIAL SAID WEDNESDAY.

CIA AGENTS TUESDAY NIGHT BRIEFED 300 MEMBERS OF THE TRANSITION TEAM, DISCLOSING THE TWO CONTACTS AND CAUTIONING THE GROUP ABOUT THE POSSIBILITY OF FUTURE OVERTURES, ACCORDING TO THE OFFICIAL SPEAKING WITH THE UNDERSTANDING OF ANONYMITY.

WHAT THE SOVIET AGENTS WERE AFTER AND WHEN THE CONTACTS WERE MADE WERE NOT DISCLOSED. NEITHER WERE THE IDENTITIES OR POSITIONS OF THE TWO TRANSITION OFFICIALS WHO WERE APPROACHED.

THE CENTRAL INTELLIGENCE AGENCY OFFICIALS "SAID WE SHOULD BE VERY CIRCUMSPECT. THAT WE COULD BE CONSIDERED TARGETS" OF SOVIET INTELLIGENCE, THE REAGAN OFFICIAL REPORTED. "THEY SAID TWO PEOPLE ON THE TRANSITION STAFF HAD BEEN APPROACHED BY SOVIET AGENTS. THEY SAID WE SHOULD BE VERY CAREFUL."

THE CIA AGENTS PARTICULARLY WARNED MEMBERS OF THE TRANSITION TEAM DEALING WITH NATIONAL SECURITY MATTERS TO BE CAREFUL ABOUT SENSITIVE PAPERS THAT ARE LOCATED AT THE TRANSITION OFFICES, THE REAGAN OFFICIAL SAID.

THE OFFICIAL SAID THE WARNING APPEARED PRIMARILY INTENDED TO INFORM NEWCOMERS TO WASHINGTON ABOUT THE REALITIES OF SOVIET INTELLIGENCE ACTIVITY AND THE DANGERS OF HOLDING POSITIONS OF POWER.

"IT WAS SORT OF A LECTURE ON HOW TO BEHAVE," SHE SAID.

ONE OF THE CIA OFFICIALS WAS DESCRIBED AS A "COUNTERINTELLIGENCE FIELD AGENT" AND THE OTHER WAS IDENTIFIED AS A "SECURITY EDUCATION FIELD AGENT."

CIA OFFICIALS WERE NOT IMMEDIATELY AVAILABLE FOR COMMENT ON DETAILS OF THE SOVIET CONTACTS. FBI OFFICIALS SAID THEY WERE UNAWARE OF THE BRIEFING OR THE REPORTED CONTACT BY SOVIET AGENTS.

LARRY SPEAKES, A REAGAN SPOKESMAN, CONFIRMED THAT SOME "SECURITY OFFICIALS" BRIEFED A MEETING OF THE REAGAN TRANSITION TEAM. SPEAKES SAID VICE PRESIDENT-ELECT GEORGE BUSH AND TRANSITION DIRECTOR EDWIN MEUSE III WERE AT THE BRIEFING.

ARMED FORCES JOURNAL INTERNATIONAL
DECEMBER 1980

CIA's New Director and Self-Esteem at Langley

PRESIDENT-ELECT REAGAN is in the process of selecting the next director of the CIA and instructing him on his mission there. Is the mission of the next director impossible? Can the CIA be revitalized—revitalized to execute its function as a primary arm of national security?

Fortunately, the President-elect has both a unique opportunity and unique assistance in making his selection, and in empowering the next CIA Director to re-invigorate what could and should be the finest intelligence service in the world. Vice President-elect Bush will be the only Vice President the nation has ever had who has also headed the CIA. He is considered by the vast majority of those who worked with him at Langley as the "Director who restored the dignity of CIA." Unfortunately, his tenure was short-lived.

Whether it was the background, the training, or the marching orders which former naval officer Stansfield Turner received from President Carter—or more likely, a combination of all three—the result has been disastrous for the nation's safety. There are numerous examples of inadequate or mismanaged intelligence in the past two years, e.g. Soviet wheat estimates, North Korean order of battle, the phantom Soviet brigade in Cuba, and Soviet intentions in Afghanistan. (The Cuban brigade is an issue which years ago represented a gap or failure in intelligence collection or analysis, but which last year became an intelligence success—and a political disaster in the use of intelligence.) But one intelligence failure alone, of the magnitude involved in CIA's incorrect prediction of the survivability of the Shah of Iran, is sufficient to make the point. That intelligence disaster can be rationalized as possessing numerous parts, not all of CIA Director Turner's making. Yet the consequences of it can only be summed up as the betrayal of a great public trust. Both the nation and the President were ill-served by it. The confluence of events following this intelligence failure made a singular contribution to hurling President Carter out of office. History tells us that this is not the first time an intelligence miscalculation has brought down a government.

Certainly no intelligence failure of that proportion can pass without cruelly impacting on the self-esteem of those officers at CIA who view their assigned trust as that of preventing such an event, if, as appears the case, that self-esteem had not already been nearly extinguished. If there is any disagreement among Republicans and Democrats on the crippling demoralization at CIA, it is not in the fact nor in the extent of it, but possibly the time—three years, or five or more—and the measures requisite to curing it.

In a televised address to the nation on the 19th of October, President-elect Reagan said: "We must restore the ability of the CIA and other intelligence agencies to keep us informed and forewarned about terrorist activities, and we must take the lead in forging an international consensus that firmness and refusal to concede or to pay ransom are ultimately the only effective deterrents to terrorism."

Congress (now, and as it is to be), both political parties, and the American people are bent on the need to reforge CIA into an instrument that will not let the people of the next President wake up one morning to surprises involving our national

survival. As George Bush knows so well, having all too briefly administered a cure to the disheartened but qualified and dedicated officers at Langley, the next cure demands in its mixture a high content of attention to the self-respect of these dispirited employees, carefully balanced with the needs of the intelligence service. For after all, it is the employees who, with imagination and inspiration, make up the alchemy that allows the impenetrable to be penetrated and turns stone into significant intelligence.

Able management can and does bring the best out of analysis of intelligence collection; but first, the hearts and the will of those doing these precise and demanding jobs must be revitalized. The flame is out at CIA. Some say that may be a bit strong; others say there is not even a glow in the ashes, so totally has the excessive bureaucratization, the ill-conceived firings, and the flood of resignations destroyed the will and ability of those who remain to dissent from ill-fated operations and chart new ones, with measured risk and high gain. Yet all strongly agree, or most all, that the flame would flash back in an instant if the new director would say the magic words,

"Trust! Trust and initiative! I want you people to take new initiatives. I will back those initiatives. You now have and will continue to have my trust!"

If this were repeated and drummed down the line and above all, demonstrated that it was meant, then we are told the flame will burn again at Langley. Unfortunately, fear at CIA has never been higher. Fear of failure. Fear of disapproval. Fear of losing out in the bureaucratic protection game. More energy is being expended on defending decisions and the system than in finding innovative ways to better it. And better it the nation must.

We urge President-elect Reagan to review "the cure" with his Vice President. The most telling statement a new director could make to his employees—people who have been repeatedly described as the most able collection of human beings of any organization in the country—would be to tell them that the President has instructed him to take initiatives and generate new ways for CIA to fulfill its mission:

"He has instructed me to experiment [now a dangerous word at CIA] with new solutions to our problems. He expects us to succeed. He knows not all initiatives will be rewarding. Yet you and I will take these initiatives. I will back you. In turn, the President will back our efforts. Innovation, not fear of failure, will motivate our work. There will be failures, to be sure, but there must be new successes if we are to keep the trust bestowed upon us." And, we would add, intelligence gaps like those on Iran cannot be tolerated.

The President-elect can give the people at Langley back their self-respect by giving them a director with such instructions. To our knowledge, no other director has been so encouraged or so empowered by a president. By so doing, the President-elect will be giving the people at CIA a course for the future that they, in turn, can esteem. He also will be giving the nation back an intelligence service that can and will assist him in meeting our national survival needs.

Benjamin F. Schemmer

ARTICLE #7
ON PAGE 37

NEWSWEEK
24 November 1980

PERISCOPE

Reviving a Presidential Panel

The Reagan Administration is expected to revive a White House panel called the President's Foreign Intelligence Advisory Board, created by President Eisenhower but disbanded by Jimmy Carter. The board was usually composed of establishment leaders, and Carter thought they weren't rigorous enough in reviewing

CIA operations. William Casey, Ronald Reagan's campaign manager, once served on the PFIAB and so did Washington lawyer Edward Bennett Williams, one of the few Democrats on the Reagan transition team. Vice President-elect George Bush worked closely with the board during his tenure as CIA director under President Ford.

THE WASHINGTON POST
20 November 1980

25X1A

Personalities

Babe in the woods:

On his way to an intelligence briefing yesterday, Vice-President-elect **George Bush** walked jauntily down a Washington street, trotted up a half-dozen steps to a townhouse doorway, and realized he was in the wrong place.

Bush was looking for 716 Jackson Place, where President-elect **Ronald Reagan** is spending the week. A few minutes earlier, CIA Director **Stansfield Turner** had entered the residence to conduct the briefing.

After Bush realized he was about to enter a red brick building housing the Harry S Truman Scholarship Foundation at 712 Jackson Place, he shook hands with a few bemused secretaries standing on the top steps and said: "You can tell the new kid on the block."

AUDIO TV REPORTS, INC.

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FOR PUBLIC AFFAIRS STAFF

PROGRAM	Panorama	STATION	WTTG-TV	
DATE	November 14, 1980	12:00 Noon	CITY	Washington, DC
SUBJECT	Interview with Cord Meyer			

ROSS CRYSTAL: I'd like you now to meet a gentleman who joined the Central Intelligence Agency in 1959. And before he left in 1977, he was given the CIA's highest award, the Distinguished Intelligence Medal, three times. Cord Meyer is here with us today to talk about the three decades with the agency.

Let me first start by asking you why you decided to join the Central Intelligence Agency.

CORD MEYER: Well, as a matter of fact, in 1950 and '51 there was the Korean War. And I was up at Harvard after having been President of the United World Federalists for two years. And I came to feel that we were up against a prolonged and serious competition with the Soviet Union; and that rather than choosing an academic career, I'd like to try to play an active part in that.

I went down to Washington, saw some friends in the State Department. I was a bit too controversial, in terms of the fact that I'd been a World Federalist before. And then I had a chat with Allen Dulles, whom I'd known before. And we talked for a couple of hours, and he impressed me very much, his understanding of the situation ahead and the need for reactions and the need for a good and effective intelligence system. So I was persuaded by him to join. And I'm glad I did it.

CRYSTAL: You walked into the agency. You were a rookie, if I can say that, at the time. What did you find? What did you find in that agency?

MEYER: Well, at that time, in '51, there was a clear consensus in the Congress, in the Administration, in the Truman

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BUSH-APPOINTMENTS

WASHINGTON (AP) -- RETIRED ADM. DANIEL J. MURPHY WILL BECOME CHIEF OF STAFF TO VICE PRESIDENT-ELECT GEORGE BUSH AFTER BUSH TAKES OFFICE JAN. 20, IT WAS ANNOUNCED TODAY.

IN OTHER APPOINTMENTS, PETER E. TEELEY, PRESS SECRETARY TO BUSH DURING THE PRESIDENTIAL CAMPAIGN, WILL HAVE THE SAME POST IN THE VICE PRESIDENT'S OFFICE AND JENIFER A. FITZGERALD WILL BE APPOINTMENTS SECRETARY.

BUSH MADE THE ANNOUNCEMENTS THROUGH THE REAGAN-BUSH COMMITTEE CAMPAIGN HEADQUARTERS IN SUBURBAN ARLINGTON, VA.

MURPHY IS CURRENTLY DEPUTY UNDERSECRETARY OF DEFENSE, A POST HE HAS HELD SINCE 1977 WHEN HE RETIRED FROM THE NAVY. EARLIER, HE HAD SERVED AS DEPUTY TO THE DIRECTOR OF CENTRAL INTELLIGENCE WHEN BUSH WAS CIA DIRECTOR.

TEELEY IS A FORMER DIRECTOR OF COMMUNICATIONS AND PRESS SECRETARY FOR THE REPUBLICAN NATIONAL COMMITTEE AND HELD SIMILAR POSTS FOR SEN. JACOB K. JAVITS, R-N.Y. AND FORMER SEN. ROBERT P. GRIFFIN, R-MICH.

MS. FITZGERALD WAS SPECIAL ASSISTANT TO BUSH WHEN HE WAS CHIEF OF THE U.S. LIAISON OFFICE IN CHINA. SHE ALSO WAS HIS EXECUTIVE ASSISTANT AT THE CIA.

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LIZ SMITH

VEEP AT PLAY: After Vice President-elect George Bush and his wife, Barbara, met with the Reagans the other day, they went on to Beverly Hills, where they stayed with their old pals, Jane and Jerry Weintraub. Producer Weintraub showed "Hopscotch" in his private screening room for George and Barbara. Everybody got a kick out of this CIA comedy starring Walter Matthau and Glenda Jackson. After all, Bush once headed up that organization. The foursome dined on chili catered by Chasen's.

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ARTICLE APPEARED
ON PAGE 15 THE PROGRESSIVE
November 1980

November briefing

Light of lights . . . More than a year has passed since U.S. satellites picked up a mysterious, blinding flash off the coast of South Africa, suspected of being a nuclear bomb test. The White House has steadfastly refused to release its report on the explosion, and that decision, insiders say, has enraged the CIA and military intelligence agencies—especially the Navy, which compiled its own 300-page report concluding the flash was, in fact, a nuclear explosion. By refusing to acknowledge that the bomb test was the effort of a combined South Africa-Israel nuclear program, says a source close to the Navy, the White House has called into question the intelligence agencies' monitoring capabilities. Thus, if the agencies go along with the White House leaks that the explosion was some kind of lightning flash, they'll have to concede they can't monitor SALT. Why the White House maneuver? Admission that it was a South African-Israeli bomb test would provoke worldwide denunciation of secret U.S. collaboration with both countries.

Beating Bush . . . Washington continues to toy with an investigation of Republican Vice Presidential candidate George Bush's role in the Orlando Letelier affair. The Senate Intelligence Committee has begun looking into the question of Bush's foreknowledge of Chilean secret police hit squads stalking Letelier, the former Chilean exile diplomat murdered with Ronni Moffit four years ago, when Bush was CIA director. The convictions of three Cuban exiles in the case were overturned by a Federal appeals court last month. They were members of Omega 7, an exile Cuban group which took credit for murdering a Castro diplomat in New York in September.

—J. S.

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ON PAGE II/13

LOS ANGELES TIMES
5 October 1980

CIA Briefs Reagan on Middle East Crisis

By RICHARD BERGHOLZ

Times Political Writer

MIDDLEBURG, Va.—Republican presidential candidate Ronald Reagan got his first briefing from the Central Intelligence Agency Saturday—but only on the Middle East crisis.

Until now, the former California governor has steadfastly refused to accept President Carter's offer of a CIA briefing, contending that his own sources of information are adequate for campaign purposes.

But after the Iran-Iraq war broke out, Reagan decided to accept the offer, insisting that the briefing be limited to the Middle East, because he did not want to be inhibited in his future attacks on Carter by any unnecessary access to classified information.

Session 'Most Interesting'

When the two-hour session ended at his leased estate near here, Reagan called it "most interesting."

For more than an hour before the briefing began, Reagan was closeted with some of his defense and foreign policy advisers—former Secretary of State Henry A. Kissinger, former White House chief of staff and NATO commander Gen. Alexander M. Haig Jr., and the former chairman of the Joint Chiefs of Staff, Adm. Thomas H. Moorer.

Reagan then was accompanied into the briefing—conducted by the CIA director, Adm. Stansfield

Turner, and his aides—by his running mate, George Bush. CIA director four years ago, gave Carter his briefing as the then-Democratic presidential nominee.

Bush told reporters that Reagan's briefing covered the Iran-Iraq fighting and touched briefly on conditions in Afghanistan and on the U.S. hostages held in Iran.

Feel Better Informed'

"It was a professional, non-policy briefing," Bush said, "and we do feel better informed."

Reagan has been sharply critical of Carter's handling of foreign policy matters, particularly in the Middle East. The Republican candidate was a strong admirer of the late Shah Mohammed Reza Pahlavi and has attacked Carter for not using U.S. force or influence to assist the shah's regime against the revolution in Iran. He has charged that the fighting between Iran and Iraq would not have started if the shah had been in power.

But Bush, whose background as CIA director has not been emphasized much in the Reagan-Bush campaign, told reporters after the briefing that "it was not our purpose to get information with which to attack President Carter."

"We are not going to sally forth from here to launch an attack on the President. Our purpose was to understand force levels in the area, what some of the best minds in the

intelligence community feel is happening in the war."

Bush said he was impressed with the professionalism of the briefing officers and said "we feel uninhibited" by the briefing.

Under usual CIA briefing procedures, each recipient is required to "sign off" or acknowledge receipt of the individual facts given them. These acknowledgements go into intelligence files so authorities have a record of what was and wasn't given to those briefed.

5 October 1980

CIA Briefs Reagan, Bush

MIDDLEBURG, Va., Oct. 4 (UPI) — Ronald Reagan and his running mate, George Bush, got their first CIA briefing today, which focused on the Iran-Iraq war. Bush said he would not use the information to criticize President Carter.

Reagan did not comment on the session, which was lead by CIA Director Stansfield Turner.

But Bush, who was head of the CIA under President Ford, spoke with reporters afterward.

"There's plenty of room for criticism on foreign policy and I will continue to be a strong critic," he said. "But please, this was not the purpose of this meeting just to get information so we could go charging out to launch an attack."

He said policy matters were not discussed.

"We simply received from them, in the best tradition of the intelligence service, thorough intelligence briefings," he said. "So it's been a good morning and I feel much better informed about the world. I can't tell you I feel more optimistic about it."

Bush said the meeting emphasized Iran, including its war with Iraq, and touched on Afghanistan as well.

He said he did not expect to reap

any political benefits from the session and vowed that no security leaks would come from the GOP team.

"I will not be guilty of that," he said. "I know Governor Reagan will not be guilty of that."

Reagan announced last week that he would accept an intelligence briefing on the war. Before that, he had declined all such offers because, as his press secretary, Lyn Nofziger, put it: "We don't want to get mouse-trapped by the administration."

Nofziger said Reagan might find himself forced into silence about something discussed in a briefing when he could have gotten the information elsewhere and used it.

But Reagan said he decided he needed briefings on the Iran-Iraq war "because of the current delicate world situation and the threat to worldwide peace and stability the conflict poses."

He said he was "determined to do and say nothing to exacerbate the situation or hurt in any way our effort to bring about a satisfactory ending to the fighting."

Earlier today, Reagan met with former secretary of state Henry A. Kissinger, former NATO chief Alexander M. Haig and retired Adm. Thomas Moorer, plus his own foreign policy advisers.

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ON PAGE 25

BOSTON SUNDAY GLOBE
5 October 1980

Administration intelligence officers brief Reagan, Bush on Iran-Iraq war

Associated Press

MIDDLEBURG, Va. — Carter Administration intelligence officials gave Republican presidential nominee Ronald Reagan and running mate George Bush a briefing yesterday on recent developments in the war between Iran and Iraq.

Bush called the discussion "pure intelligence" and said that neither he nor Reagan intended to use the information "as ammunition to criticize President Carter."

CIA director Stansfield Turner and other top intelligence officials spent more than two hours with the candidates at Reagan's rented estate in northern Virginia.

Bush, who headed the CIA during the Administration of former President Gerald R. Ford, said that he was impressed with the information, but that it did not change his general view of the situation in the Mideast nor would it cause him to stop criticizing President Jimmy Carter's general handling of foreign policy.

"I feel better informed about the world. I can't tell you I feel more optimistic about it," said Bush, who spoke to reporters waiting outside.

Bush said that he and Reagan asked several questions about the US hostages in Iran but that there was little discussion on this subject.

Reagan declined to discuss the briefing with reporters, although as he walked Bush to a helicopter, Reagan characterized the session as "most interesting."

"We're just getting information we didn't have before," Reagan said.

Former Secretary of State Henry A. Kissinger, who occasionally advises Reagan on foreign policy, questioned the importance of the briefing.

Kissinger did not attend the briefing, but conferred with Reagan and Bush earlier in the day in a session that also included retired Gen. Alexander Haig, former commander of the North Atlantic Treaty Organization (NATO), and Adm. Thomas Moorer, former chairman of the Joint Chiefs of Staff.

3 /
CIA OPERATIONS CENTER**NEWS SERVICE**

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DISTRIBUTION II**†IRAN-REAGAN, 500****†REAGAN AND BUSH BRIEFED ON MIDEAST****†BY TOM RAUM****†ASSOCIATED PRESS WRITER**

MIDDLEBURG, Va. (AP) - CARTER ADMINISTRATION INTELLIGENCE OFFICIALS GAVE REPUBLICAN PRESIDENTIAL NOMINEE RONALD REAGAN AND RUNNING MATE GEORGE BUSH A BRIEFING SATURDAY ON THE RECENT DEVELOPMENTS IN THE WAR BETWEEN IRAN AND IRAQ.

BUSH CALLED THE DISCUSSION "PURE INTELLIGENCE" AND SAID THAT NEITHER HE NOR REAGAN INTENDED TO USE THE INFORMATION "AS AMMUNITION TO CRITICIZE PRESIDENT CARTER."

CIA DIRECTOR STANFIELD TURNER AND OTHER TOP INTELLIGENCE OFFICIALS SPENT MORE THAN TWO HOURS WITH THE GOP CANDIDATES AT REAGAN'S RENTED ESTATE IN NORTHERN VIRGINIA.

BUSH, WHO HEADED THE CIA HIMSELF DURING THE ADMINISTRATION OF FORMER PRESIDENT GERALD R. FORD, SAID HE WAS IMPRESSED WITH THE INFORMATION THAT WAS RECEIVED AT THE PRIVATE BRIEFING. BUT BUSH ALSO SAID IT DID NOT CHANGE HIS GENERAL VIEW OF THE SITUATION IN THE MIDDLE EAST NOR WOULD IT CAUSE HIM TO STOP CRITICIZING CARTER'S GENERAL HANDLING OF FOREIGN POLICY OVER THE LAST 3½ YEARS.

"I FEEL BETTER INFORMED ABOUT THE WORLD. I CAN'T TELL YOU I FEEL MORE OPTIMISTIC ABOUT IT," SAID BUSH, WHO SPOKE TO REPORTERS WAITING OUTSIDE.

THE VICE-PRESIDENTIAL CANDIDATE SAID HE AND REAGAN ASKED SEVERAL QUESTIONS ABOUT THE U.S. HOSTAGES IN IRAN BUT THERE WAS LITTLE DISCUSSION ON THIS SUBJECT.

REAGAN DECLINED TO DISCUSS THE BRIEFING WITH REPORTERS; ALTHOUGH AS HE WALKED BUSH TO A HELICOPTER, REAGAN CHARACTERIZED THE SESSION AS "HOST INTERESTING."

"WE'RE JUST GETTING INFORMATION WE DIDN'T HAVE BEFORE," HE SAID. WHILE BUSH GENERALLY PRAISED THE QUALITY OF THE INTELLIGENCE RECEIVED, FORMER SECRETARY OF STATE HENRY A. KISSINGER, AN OCCASIONAL REAGAN FOREIGN POLICY ADVISER, QUESTIONED THE IMPORTANCE OF THE BRIEFING APPROVED FOR RELEASE 2001/12/05 : CIA-RDP91-00901R000100020001FZ OF U.S. INTELLIGENCE.

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26 September 1980

25X1A

Bush blames Iran turmoil on Carter

By Jan Pogue
Inquirer Staff Writer

George Bush yesterday said President Carter's "vacillating, ineffective" foreign policy had severely eroded America's international power and helped "create turmoil in the world."

Speaking before the World Affairs Council, the Republican vice presidential candidate said he feared Carter had "risked the peace" by a policy of "bluff, bluster and backdown" that had reversed national security trends dating to President Harry S. Truman. Further, he insisted that the president had so depleted America's conventional armed forces that "we couldn't go to the aid of our friends."

He said Reagan proposed rebuilding conventional forces so that the United States would "be strong enough to deter the unthinkable, nuclear war," but said Reagan did not plan to re-enter the arms race because, "as far as I can see, there's only one runner in this race — the Soviet Union."

He insisted that the fighting between Iran and Iraq and the standoff with Iran over the American hostages was a reflection of "the deteriorating condition of American interests, as well as influence, in the Persian Gulf region."

The speech, delivered to an enthusiastic crowd of about 600 at the Benjamin Franklin Hotel, was the second in two days here in which Bush chastized the Carter administration's handling of foreign affairs and declared that Republican presidential candidate Ronald Reagan would re-establish America's military might.

On Wednesday night he said at a state Republican State Committee awards dinner that, "under Jimmy

Carter, we don't have the leverage to be guarantor of the peace" between Iran and Iraq.

Yesterday, he repeated that theme and said that Carter had made "empty threats" in dealing with the Soviet Union's invasion of Afghanistan and the presence of Soviet troops in Cuba.

He said that he did not believe Carter knew how to deal with his "self-created troubles" in dealing with the Soviet Union's expansionism and that Carter "doesn't grasp the complexities of world powers."

Bush's speech lasted about 20 minutes. He then answered questions from the audience for half an hour. In the questioning, he noted that the undeclared war between Iran and Iraq had threatened oil supplies to Europe and Japan and said that the United States under Reagan "would, before these friends are drawn to

their knees, go into a sharing agreement."

On other issues, Bush:

- Said Americans should "get off the backs of the CIA."

- Doubteted that the Soviet Union would invade either Iran or Iraq because "the Soviets are in the position of watching two fruits ripening and letting them drop into their laps."

- Said Reagan believed that the United States should have only one secretary of state, "not two as we have now (an apparent reference to national security adviser Zbigniew Brzezinski), and not three, when Andrew Young was in the U.N."

Earlier in the day, Bush's wife, Barbara, campaigned in Delaware County, touring the courthouse in Media and attending a ribbon-cutting at a Reagan-Bush campaign headquarters in the county.

THE PROGRESSIVE
September 1980

September briefing

More good friends ... "Omega 7," an anti-Castro terrorist group centered in New Jersey, responsible for two murders and a dozen bombings in the past year, has been ordered to lay low. By the United States Government? No—by leaders of anti-Castro exile forces organizing another assault brigade in the Florida Everglades. FBI sources say "Miami heavies" told O-7 to stop the bombings for now in order to get on good terms again with the United States Government. The exiles are saying they expect Ronald Reagan will be elected and the green light will be flashed to try to topple Fidel Castro once again, or to send exile brigades to Nicaragua, El Salvador, and Guatemala. Contacts with the CIA have already begun, the sources say. Meanwhile, El Salvadorean opposition groups charge that government police are being trained by Venezuela.

The United States vs. George Bush? ... The Justice Department is said to be staring at leftover evidence in the Orlando Letelier murder case and mulling a grand jury probe of George Bush, CIA director at the time of the 1976 car-bombing murder of the former Chilean ambassador and a colleague, Ronni Moffitt. Bush may have committed obstruction of justice by not telling FBI investigators what he knew about Chilean killer teams in the United States. The problem for Jimmy Carter: Prosecution of Bush may look "too political" right now.

It figures ... Another book manuscript by a former CIA officer is floating around New York. One of its more interesting tidbits is that the spookdom refused to believe evidence in the early 1960s conclusively predicting the Sino-Soviet split. The reason? If China wanted an alliance with the United States against Moscow, the dirty tricks division of the CIA could no longer justify its immense budget targeting Peking.

—J.S.

THE PROGRESSIVE
September 1980

THE WORD FROM WASHINGTON

'Honorable men'

Jeffrey Stein

I happened to be watching the Republican National Convention in Detroit with a small group of Latin American exiles. When George Bush appeared on the podium with Ronald Reagan, one woman blurted out, "This is just like Brazil! The head of the secret police is going to end up running the country."

Former CIA Director George Bush's position on the ticket may, indeed, foreshadow a quicker reach for the icepick of "destabilization" as a Republican foreign policy tool, but the difference from the Carter Administration will be only incremental.

First of all, in June, long before George Bush joined the ticket, advisers to Reagan began fanning out

Jeffrey Stein is The Progressive's contributing editor in Washington.

across Latin America with reassuring messages for nervous generals in Argentina, Brazil, Chile, and Guatemala. In Argentina, former Defense Intelligence Agency chief and Reagan adviser Daniel O. Graham talked with business, political, and military leaders and assured them a Reagan Administration would abandon Jimmy Carter's policy of "throwing old friends to the wolves."

Secondly, over the past year the vaunted Carter human rights policy has exploded like a rotten corpse. From the beginning, the policy was merely a cynical maneuver by Zbigniew Brzezinski "to take the high road against the Soviets" after the debacle in Vietnam, to recapture the appearance of moral purpose in our conduct of foreign policy. Like any effective policy, it had to be applied from time to time to

the human rights policy is gone. The generals are purring.

A paradox in American politics produced Richard Nixon's opening to Peking. Only the red-baiting member of Congress from California could have got away with that, the legend goes. But the mirror reflection of the paradox is equally clear: The Democrats can tighten the screws of the national security state more easily than the Republicans can. While Jimmy Carter can kiss the generals, Ronald Reagan cannot. *The New York Times* would howl.

Here are some, at least, who are challenging the edifice of the national security state. Among those who are doing it at the greatest risk are the people who run *Covert Action Information Bulletin*. They have an office in the National Press Building in Washington, four blocks from the White House, and what they do is "name names." Right there under Jimmy Carter's nose, they put out lists of CIA agents. This has upset those who believe such disclosures endanger the patriotic, hard-working, dedicated Americans who are doing a tough but necessary job in the world's back alleys. As former CIA Director William E. Colby is fond of saying, "We are honorable men, too."

You may have met a CIA agent yourself. He or she probably had a nice wife or husband and a brilliant academic career, kept the lawn trim, and cooked terrific barbecue in the back yard. He probably looked like George Bush. Striped tie. Blue blazer.

But one should not be fooled by such trappings. Don't forget the CIA's job is to *murder people*. "What the hell do you think we are? Boy Scouts?" Richard Helms, one of the very best CIA agents, once asked a visitor.

Louis Wolf is a nice fellow, too. He works at *Covert Action Information Bulletin*. A slender, rather shy kind of person, Wolf worked for International Voluntary Services, a church group in



From: Ronald Reagan
To: George Bush
Re: Your speeches

As ex-Director, under C.I.A. Regulation HR 6-2, you "must submit for review..... all writings and scripts or outlines of oral presentations." So, you better preach only about rep ties and football.

By David Burnham

WASHINGTON — The first question is this: Has George Bush, Ronald Reagan's Vice Presidential running mate, violated an important regulation of the Central Intelligence Agency, the spy organization he once headed?

The words of the regulation are quite straightforward. Before an employee or former employee of the C.I.A. ships a manuscript to a publisher or climbs onto a podium to deliver a speech that touches on intelligence matters, or might be based on classified information, he must submit the material to the agency for review.

The second question is this: What happens to a country when its Government promulgates rules that are unequally applied? Mr. Bush and the C.I.A. agree that he has not submitted his speeches for review. They also contend that he has not been under an obligation to do so. This attitude of easy tolerance toward Mr. Bush contrasts with the C.I.A.'s approach to another former employee, Frank W. Snepp 3d. Under an order approved by the United States Supreme Court, Mr. Snepp has been denied all royalties from his non-fiction book, "Decent Interval: An Insider's Account of Saigon's Indecent End," which he refused to allow the C.I.A. to review, even though the Government concedes that the book divulged no classified information. More recently, Mr. Snepp was required to submit his second book, a novel about the C.I.A., for official vetting.

During his campaign for the Republican Presidential nomination, and now as Vice Presidential candidate, Mr. Bush frequently has commented on chronic foreign-policy problems. A few months ago, for example, he told a Cleveland audience that "based on my experience in foreign affairs, I am convinced that the risks involved in a U.S. military presence in the Middle East are as unnecessary as they are unwanted by the American people."

Hardly a unique or unusual insight. Mr. Bush, through a spokesman, insisted that such pronouncements are based on knowledge acquired during his travels; his exp

the United Nations and China, and his readings. But is it possible that the comment on the Middle East and other observations on foreign affairs also draw on classified information he received while Director of Central Intelligence from January 1976 to January 1977?

The regulation in question has two parts. The first describes who and what is covered; the second establishes the absolute principle that it is the C.I.A., not the individual author or speechmaker, that must make the decision about what material is fit for public consideration.

C.I.A. Regulation HR 6-2 states: "Agency employees and former employees under the terms of their secrecy agreement must submit for review by the Board all writings and scripts or outlines of oral presentations intended for nonofficial publication, including works of fiction, which makes any mention of intelligence, data or activities or contain data which may be based on information classified pursuant to law or Executive Order." Publication is neatly defined as the communication of information to one or more persons.

Then comes the part denying the individual any discretion in making the judgment about the material. "Submission to the Board will be made prior to disclosing such information to anyone who is not authorized by the agency to have access to it. The responsibility is upon the employee or former employee to learn from the agency whether the material intended for publication fits the description set forth in this paragraph. No steps will be taken toward publication until written permission to do so is received from the Board."

Asked why Mr. Bush had not sought review of comments that might have been partly based on classified information, a spokesman for the candidate said the remarks were "so innocuous that Mr. Bush sees no reason to send them to the C.I.A." The spokesman confirmed that Mr. Bush once asked the Review Board to clear a chapter of an unpublished book.

Herbert E. Hetu, chairman of the C.I.A.'s Review Board, said he was sure there was no reason to be worried by Mr. Bush's failure to send his speeches to the agency before he deliv-

ered them. "We have no reason to believe Mr. Bush will not submit for review any material that falls into the category of concern," the official said.

Yet the regulation requires the C.I.A., not the former employee, to decide whether material to be made public might be based on classified information. Reminded of this, Mr. Hetu replied: "That is a regulation, not a law. We have no punitive hold over former employees."

Maybe that is a problem, even though Mr. Snepp might not agree about the punitive hold. Perhaps Congress ought to pass a law on this subject. How about one authorizing the C.I.A. to assign a team of unbiased experts directly to Mr. Bush's staff to make sure no classified material sneaks into his speeches? But, in the name of fairness, why should C.I.A. experts limit their services to Mr. Bush? Why not a broad new Government program under which the C.I.A. could advise all national candidates, even those who never worked for the C.I.A.? Or, following the logic of the Supreme Court decision concerning Mr. Snepp, perhaps the Government should bring a civil suit to impound the campaign contributions raised by Mr. Bush when he gave those speeches, which just may be tainted by that terrible stain — data based on classified information.

David Burnham, a former reporter for The New York Times, is writing a book about information and society.

Dodd, Mead Already to Press With George Bush Biography

George Bush, the Republican nominee for vice president, is the subject of a book with which Dodd, Mead has just gone to press. "George Bush: A Biography" by Nicholas King will be published in both paper and cloth editions, with bound books expected late this month and official publication in September.

Bush has held a number of high government posts on the way to his current candidacy. After his naval exploits in World War II, he served as U.S. ambassador to the U.N., chairman of the Republican National Committee, head of the U.S. Mission to Communist China and, of course, chief of the CIA.

The biographer has been a reporter for UPI, a press attaché at the American Embassy in Paris—and an aide to George Bush.

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NEWSDAY
25 July 1980

Viewpoints

The Reagan Plan for Agency

If the GOP ticket wins, the CIA's prospects might improve, but a Reagan intelligence white paper calls for a new service with sweeping powers. It could overshadow Bush's old outfit.

By Jeff Stein

When Ronald Reagan finally picked ex-CIA Director George Bush to be his running mate last week, I was sitting around the television with a group of Latin American exiles. "This is just like Brazil!" one exclaimed. "The head of the secret police is going to end up running the country."

It will be interesting to see just what influence the CIA will have if the Reagan-Bush ticket is elected in November. It is true that Bush was immensely liked by the cloak-and-dagger crew during his short stay at its Langley, Va., headquarters (June, 1975, to January, 1976), and he employed perhaps 40 ex-CIA officers in his campaign organization, including his own director of security, Robert Gambino. But predictions of some kind of a CIA *putsch* organized out of the vice president's office are perhaps off the mark.

For one thing, there exists a definite anti-CIA feeling among Reagan's closest foreign-policy and national-security advisers, many of whom were members of the Ford administration's "B-team," which was set up to offer competing analyses of CIA estimates of Soviet missile strength. And in lengthy conversations with Richard V. Allen, Reagan's principal adviser on these matters, I came away with the definite feeling that Allen thought the CIA was just not "tough enough" when it came to sizing up the Russians.

The principal evidence of my conclusions exists in a special white paper on the intelligence community put together by a group of ex-military and ex-CIA officers under Allen's direction last year.

While the white paper certainly expresses fondness for covert action at home and abroad—popularly known as "dirty tricks"—it also leaves an impression that the CIA may have to share the back alleys of the

world with other U.S. agencies, particularly the FBI and the Pentagon, and may have to be prepared to give up some of its power to a new "intelligence czar" in the White House. All this portends, of course, a classic Washington power struggle come January if Reagan wins.

Here are the highlights of the intelligence reorganization plan:

• Domestic spying.

The plans call for maintaining joint CIA-FBI files on "counterintelligence and counter-terrorism" in a special section to be created in the Justice Department or a wholly new, independent agency. "Here," the policy paper proposes, "joint teams of officers from both the domestic and foreign intelligence services would lawfully look at the same data."

• Checks on CIA analysts.

Among Reagan's advisers, there is a congenital suspicion of Russian military analysts at the CIA. To correct that, it is proposed that the role of the Defense Intelligence Agency be strengthened as a source of "alternative analysis," and that a permanent kind of "B-team" be set up to further checkmate the CIA, similar to the "wise old men" of the defunct Foreign Intelligence Advisory Board.

• Shift covert action away from the CIA.

"The clandestine services have been of inestimable value to our national security," the white paper claims. "They have performed some of the most important of CIA's unique functions, and they should be strengthened."

But the Reagan team doesn't think the CIA can do the job and wants to create a brand new "Foreign Operations Service" that would bring under one roof both information-collection and counterintelligence activities. As a new intelligence superagency combining many functions of both the FBI and CIA, the FOS would actually be a mirror image of the dreaded Soviet KGB. It would, the plan proposes, be "wholly clandestine."

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THE WASHINGTON POST
29 June 1980

The Unresolved Ouest Letelier Case

Why were warnings of Chile's plot

Why was U.S. evidence withheld?

By John Dinges and Saul Landau

COOPERATION with "friendly" intelligence agencies was the established practice of U.S. embassies and the CIA abroad, and that included granting visas to known agents to conduct intelligence missions in the United States. But something about the request Ambassador George W. Landau received in late July 1976 from a Paraguayan government official in Asuncion aroused his suspicions.

The official, a top aide to Paraguayan President Alfredo Stroessner, assured Landau that Chilean President Augusto Pinochet himself was asking for a favor. The official said he needed visas immediately for two Chilean Army officers using Paraguayan passports to travel from Asuncion to Washington on an intelligence mission. The mission, he said, had been cleared with the CIA station in Santiago and the two men would be in touch with CIA Deputy Director Vernon Walters in Washington.

Ambassador Landau, according to his later testimony, issued the visas for the two men the next morning. But his suspicions led him to take two precautions. He had the agents' false Paraguayan passports photographed, and he sent the photographs to CIA headquarters with a full account of the affair — just in case the Chilean agents were lying about why they were going to Washington.

Landau's action was the first brush by a U.S. official with Chile's secret operations leading up to the assassination of Orlando Letelier six weeks later. In the weeks preceding the assassination of the leftist former ambassador and foreign minister, a flurry of cables and official communications went back and forth between the U.S. Embassy in Asuncion, the State Department, the CIA and the Immigration and Naturalization Service concerning the two Chilean agents, whose real identities — not learned until almost two years later — were Michael Townley and Armando Fernandez, the Chilean secret police agents who led the operation to kill Letelier.

CIA Director George Bush and his deputy, Gen.

Walters, were also aware of the information received and acted on Landau's warning. The ambassador's cable, sent via a top secret State Department "back channel," went first to the office of Secretary of State Henry Kissinger. All that raises a series of disturbing questions. U.S. officials at the highest levels knew in advance about Chile's undercover mission in Washington and possessed photos and passport information. Was that information sufficient foreknowledge to have prevented the murders? Once the assassination occurred, was the information turned over immediately to the FBI by the persons and agencies possessing it?

The pictures and the advance information obtained by Landau and others ultimately provided the keys to solving the case. But, unlike fictional spy mysteries, all the pieces of the puzzle did not fall into place with the identification of the guilty. Instead, the U.S. agencies involved in the case imposed an extraordinary mantle of secrecy over the actions of U.S. officials before and after the assassination and over the records and files relating to those actions. Given the secrecy about the extent of U.S. government foreknowledge, the questions we raise can only be partially answered.

According to our reconstruction of events, the Letelier assassination was set in motion in late June 1976. Pinochet's intelligence service had received reports of Letelier's recent visit to Holland to lobby against a \$63 million investment by a Dutch company in Chile and of confidential meetings in New York between Letelier and a prominent leader of Chile's centrist Christian Democratic Party. Congress had just cut off Chile's military aid because of human rights violations.

Over the next three months, Col. Manuel Contreras, chief of DINA, the Chilean secret police, dispatched five of his agents on four separate but interrelated missions to Washington to carry out the order to kill Letelier. Of the four missions that made up the Letelier assassination, three were detected by U.S. authorities.

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THE WASHINGTON STAR (GREEN LINE)
24 June 1980

THE EAR

SOMEBODY: CLOSE THE
LETELIER SCENE . . . George
Bush, still pondered as a Maybe for
Reagan's Veep, gets a teeny set-
back in "Assassination on
Embassy Row," Ear hears. Saul
Landau and John Dinges' new-
this-month tome on the Letelier
murder says George knew
perfectly well that the Chilean
Secret Police had sent a team to DC
on a Covert Mission, but sat on the
info. Worse, he let "CIA sources"
be lavishly quoted, saying the
Chilean government had *nothing*
to do with the September '76 hit.

THE PROGRESSIVE
14 May 1980

Out of the bushes

Republican Presidential candidate George Bush, who has been touting his service as director of the CIA in 1976, may soon find the experience to have been a liability. According to an investigative book on the assassination of Chilean diplomat Orlando Letelier, Bush, as head of the CIA, knew more about the assassination than he told Federal investigators probing the case.

Authors John Dingus and Saul Landau, whose book is scheduled for June publication, say Bush and other CIA officials knew that the Chilean secret police had sent a team to Washington on a covert

mission. But Bush, according to the book, withheld that information from investigators following the September 21, 1976, assassination, while "CIA sources" were quoted in major media as having concluded that the Chilean government was "not involved" in the murder.

In February 1979, three Cuban exiles were sent to prison for their parts in carrying out the murder at the Chilean government's behest. Michael Townley, the Chilean agent who arranged the hit and later turned state's evidence in a deal with the prosecutors, will be eligible for parole in July 1981. —J.S.

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WASHINGTON STAR (GREEN LINE)

9 MAY 1980

Bush Criticizes Carter 'Mistake' In Failing to Attend Tito Funeral

By Howie Kurtz
Washington Star Staff Writer

ANNAPOLIS — George Bush, hammering away at what he called a "hypocritical" foreign policy, sharply criticized President Carter yesterday for failing to attend the funeral of Yugoslav President Josip Broz Tito.

"Jimmy Carter should have gone to Tito's funeral," the Republican presidential candidate told about 250 guests at a Rotary Club luncheon here. "The president made a big mistake."

The former CIA director said the intelligence community has long been concerned over the struggle to succeed Tito and that dispatching Vice President Walter Mondale to yesterday's funeral was sending the wrong signal to Belgrade.

"We should do nothing to slight Yugoslavia.... The Yugoslavians should know they have a friend if they resist being pulled back into the Soviet orbit," Bush said.

In a second day of campaigning through Maryland for the May 13 primary, Bush repeatedly stressed his foreign policy credentials and sought to contrast it with Ronald Reagan's lack of experience.

While Reagan is spending little money in the state, Bush is pouring \$100,000 into his Maryland effort, about half of it on radio and television commercials. Still, Bush aides are worried that his effort could be damaged by independent candidate John B. Anderson, who remains on the Republican ballot in the state.

Bush tried to keep his focus on foreign policy, however, as he questioned why Carter has singled out U.S. allies for condemnation on human rights violations. He suggested that such criticism was "hypocritical" because it ignored adversaries such as Cambodia, while contributing to the downfall of such allies as the shah of Iran and President Anastasio Somoza of Nicaragua.

The Once and Future GOP Candidates

It began with Philip Crane, John Connally, John Anderson, Howard Baker, Robert Dole, Ronald Reagan and George Bush. But they've been dropping like flies—a development we hadn't expected when we undertook this series of interviews, conducted by Mark Shields, with the Republican presidential candidates. And now there are three. Never mind: maybe you'll get an idea not just of what you're going to get but also of what you're missing from these musings of the runners, the runners-up and the fallen-by-the-wayside.

What are you proudest of in your public career? What do you regret?

Bush:

I think the job I did at CIA in one year. . . . I made a lot of changes out there in terms of people, some promotions, some moved sideways, some out. It was not done with a lot of public fanfare, calling up some guy at your paper and saying, hey, what a big tough leader I am. I made these changes. And it was a very complicated mix of administration, of public relations, of communication with the Congress and of trying to hold together and strengthen a very dedicated, patriotic organization that was down when I came in. . . . That isn't a single thing. I mean, it's not a Saturday night massacre, it's not leading a charge up the hill at 0800, but that is, I think, the thing that I know I did well.

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THE CHRISTIAN SCIENCE MONITOR
3 April 1980

Readers write

Support of the 'little man' too.

On the front page of the Monitor recently was an article, "Big business is bullish about GOP's George Bush." It points out that "big business and the CIA" represented 39.7 percent of the donors to the Bush campaign and that they contributed 37.1 percent of the total. The implications of the article were that Mr. Bush was in the pocket of the business community.

From the article I figured that the average gift amounted to \$462.37 or \$25 more than the average gifts of big business — far more than Rawleigh Warner Jr.'s gift of \$250 or that of former CIA director Richard Helms of \$200. True, Mrs. Warner gave \$250, as well, but it should be noted that their combined gift was only \$37.63 more than the average.

No longer being an American citizen I hesitate to say this; but it seems to me there are two sides to the coin. Is the Monitor in favor of small contributions to liberal candidates whose apparent aim is vote handouts to the various pressure groups so that they may perpetuate themselves in power?

Might it not be that the people giving to the Bush campaign see the need for fewer handouts, more encouragement of business and, last but not least, a really strong CIA so that the United States of America does not get unpleasant surprises like Iran and Pakistan without being prepared to meet them? Might it not be that Mr. Bush and his supporters see the need for a strong America?

After all, one should not lose sight of the fact that the average contribution was \$25 more than that of the well-heeled supporters. Could it not be that the "little man" has seen the danger and is really making the sacrifice?

Grand Cayman, Alexander Lofthouse
British West Indies

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THE WASHINGTON POST
1 March 1980

Coming in From the Out to the Bush Campaign

By BILL PETERSON

Washington Post Staff Writer

No one is sure who tacked up the red, white and blue "George Bush for President" poster beside the entrance to the CIA headquarters in Langley, Va., recently.

Workmen quickly tore it down on the mistaken assumption that the poster was on CIA property. "We're studiously staying neutral in presidential politics," said press spokesman Dale Peterson.

But the poster was an important symbolic gesture, a commentary on the 1980 presidential race and the changing attitudes about the CIA.

Simply put, no presidential campaign in recent memory—perhaps ever—has attracted as much support from the intelligence community as the campaign of former CIA director Bush.

One top foreign policy and defense adviser is Ray Cline, a former deputy director of the CIA and director of intelligence and research at the State Department. Another defense adviser is Lt. Gen. Sam V. Wilson, a former director of the Defense Intelligence Agency.

Lt. Gen. Harold A. Aaron, a former deputy director of DIA, is on Bush's national steering committee. Henry Knoche, Bush's right-hand man at the CIA and later acting director of the agency, is quietly campaigning for Bush in the West. And Robert Gambino recently left his job as CIA director of security to work full-time for Bush.

At least 20 other former intelligence officers are working in various volunteer capacities with the Bush campaign. Bruce Rounds, director of operations for Bush in New Hampshire, is a former CIA officer. So is Tennessee finance chairman Jon Thomas. Virginia coordinator Jack Coakley is a past executive director of the Association of Former Intelligence Officers. And at least three retired CIA officers work on Bush's research staff.

"It's sure as hell not a CIA coup or anything like that," says Coakley, for-

merly with DIA. "But I can tell you there is a very high level of support for George Bush among current and former CIA employees."

A few years ago when the CIA was under almost daily attack for its abuses and excesses, no candidate would have dared accept such support. But today Bush openly welcomes it, and at almost every stop he receives his loudest applause when he calls for a stronger CIA.

Bush's political advisers originally were wary of their candidate's CIA ties. In a world where secret police forces routinely overthrow governments, they obviously didn't want him to become labeled "the CIA candidate."

Some of the ex-employees themselves worried about a backlash. "I could see the headlines: Bush Sprinkles Campaign With Former Spooks," says one former covert operator.

But Bush's old CIA associates argued that the public mood on the CIA was shifting. Foreign policy adviser Cline, now director of the Center for Strategic and International Studies at Georgetown University, had been delivering pro-CIA lectures on college campuses and elsewhere since 1973 when he left the government in disgust "over what they were doing to the intelligence agencies."

For years, he was heckled at almost every stop. "I don't get any heckling now. In fact, I'm quite popular," he says. "I found there was a tremendous constituency for the CIA in the sticks when everyone in Washington was still urinating all over it."

Bush bought Cline's argument. "He felt he did a good job at the CIA, and the support of retired officers was a reflection of that," says press secretary Peter Teeley. "Quite frankly,

CIA veteran. "I've been beating this bush since 1974 and it's just dawning on people that we need stronger intelligence gathering."

"It's panned out almost too good to be true," he adds. "The country is waking up just in time for George's candidacy."

There certainly isn't anything improper about the involvement of former intelligence officers in a political campaign. All of those working for Bush appear to be retired or ex-intelligence officers. And the "old boy" intelligence network doesn't dominate the Bush campaign any more than other networks of former associates Bush developed in his days at Yale

University, the Republican National Committee, of which he was chairman, the State Department (Bush was U.N. ambassador and envoy to China), Congress or in the oil business.

But there were some rumblings of uneasiness in the intelligence network. When the Association of Former Intelligence Officers held its annual banquet last October, former executive director Coakley counted 180 of the 240 persons present wearing George Bush buttons. And he recalls David Phillips, the association founder, declaring: "Ladies and gentlemen, we have a problem and that problem is George Bush."

Coakley and other former intelligence officers see the support for Bush as a perfectly natural phenomenon. "This is the first time any significant number of us have ever gotten involved in a presidential race. I don't think it's because he's one of us. After all, he was only at the CIA one year."

"But he was there when everything was going downhill! People there perceived him as someone who did a very good job under difficult circumstances," he continues. "Maybe more important, he's the only candidate any of us can remember who has made the agency an issue. He's the guy who raised the intelligence community to a national campaign issue."

21 Feb 80

CHRISTIAN SCIENCE MONITOR



Big business is bullish about GOP's George Bush

—A 1 —

By Peter C. Stuart
Staff correspondent of
The Christian Science Monitor

Washington

Who is financing the presidential campaign of George Bush, a surprise early leader in the race for the Republican nomination?

Predominantly the American business community — heavily represented by oil men and lightly sprinkled by Central Intelligence Agency (CIA) figures. So reveals an examination by this newspaper of campaign finance reports filed to date with the Federal Election Commission.

Mr. Bush once was an oil man and later headed the CIA.

Businessmen rank as the largest source of the money that the Bush campaign raised through the end of 1979 from individual contributors.

Persons identified in the reports as "business executive," "corporate officer," "investor," and "oil producer" account for nearly 40 percent of the total of both contributors and money contributed.

Specifically, the 3,691 donors in this category account for 39.7 percent of the 9,300 persons who are listed as having contributed to the Bush campaign. Altogether, they have given \$1.6 million, or 37.1 percent of the \$4.3 million from all individuals.

If the number of such business-community contributors were enlarged to include their spouses, other relatives, and those with related occupations such as bankers, corporate lawyers, and retired businessmen, it would constitute well over half of Mr. Bush's financial resources.

These are far from nickel-and-dime contributors. Their gifts average \$437, or nearly one-half the legal maximum of \$1,000.

Among the best-known businessmen aiding the Bush campaign are David Rockefeller, chairman of the board of Chase Manhattan Bank, who has given the maximum \$1,000 (three other members of the Rockefeller family have chipped in \$1,000 each); Henry Ford II, chairman of the board of Ford Motor Company, \$750; and R. Heath Larry, president of the National Association of Manufacturers, \$450.

A partial list of the many oil-company officials contributing money to Mr. Bush includes Leon Hess, chairman and chief executive officer of Amerada Hess Corporation; who has given \$1,000 (as has his son, John); Ray L. Hunt, chief executive officer of Hunt Oil Company (and son of the oil millionaire H. L. Hunt), \$1,000; and Rawleigh Warner Jr., board chairman of Mobil Oil Corporation, \$250 (plus \$250 from his wife).

Before entering politics, Mr. Bush worked in the oil business in Texas, co-founding Zapata Petroleum Corporation and heading an offshore drilling firm.

Another field of Mr. Bush's career — the intelligence community — also is investing in his candidacy. Money comes from his two immediate predecessors as director of the CIA (a job he held in 1976 and 1977), one former deputy director, and a number of current employees at the agency.

The man whom Mr. Bush succeeded at the CIA, William Colby, director from 1973 to 1976, has contributed \$1,000. Richard Helms, CIA director from 1966 to 1973, has given \$200. Former deputy director Ray S. Cline has kicked in \$450.

The heavy influx of money from the business community appears to be no accident. Bush fund-raising letters seem pitched to businessmen. One recent letter makes three separate references to his business background, concluding with this postscript:

"Although it may come as a surprise, I am the only major candidate with in-depth experience at building and operating a business. I know what it's like to meet payrolls, pay taxes, and take risks. . . ."

The same letter also cites his CIA experience.

"One of the toughest jobs I held was director of the Central Intelligence Agency," it reads. "After years of attacks by liberals in the Congress and Senate, which weakened the effectiveness of that organization and the FBI, I worked to restore its strength and morale. . . . American intelligence must be strengthened."

*Rowland Evans
 And Robert Novak*

Who Will Cut Bush Down?

MANCHESTER, N.H.—The newfound political magic of George Bush has spread so persistently since his Iowa triumph that Ronald Reagan's managers privately conclude they face disaster in the Feb. 26 New Hampshire primary unless Bush is effectively portrayed as an upper-class front man for the old Nixon gang.

The question is: who will do it? Reagan himself believes in the 11th commandment, forbidding one Republican to speak ill of another. William Loeb, Manchester Union-Leader onslaught on Bush evokes yawns. Sen. Howard Baker has begun to assault Bush but pulls punches after 13 years of senatorial politesse.

If nobody draws blood before them, Reagan must overpower Bush in the Feb. 23 two-man debate his managers engineered. That is his last chance to avoid a defeat here that would make Bush the commanding favorite for the Republican nomination.

The conventional wisdom that Bush and Reagan are neck-and-neck is distrusted by neutral Republican politicians, who suspect steady leakage of Reagan voters. The reason: George Bush is a political phenomenon. While taking conventional conservative positions in conventional Republican prose, his enthusiasm infects his overflow audiences.

The rapport was obvious one day last week at a Lebanon town hall and even more intense that night before a Dartmouth College town-and-gown crowd of 1,500. When his call for a strengthened CIA produced the evening's most protracted applause, it showed how quickly students have changed. But more than rising conservatism, Bush gains from coming across as the happiest warrior since Hubert Humphrey.

Reagan's first post-Iowa response was to point up his superior conservative credentials on opposing the Equal Rights Amendment, abortion and gun control. This ringing rhetoric on pro-defense, anti-Soviet policies tilted Reagan's own hard core. But it did not stem Bush's tide.

Rep. Jack Kemp, Reagan's economic spokesman, insists that the answer is to emphasize economic questions. While Reagan has embraced the Kemp-Roth tax cut, Bush distrusts current Republican tax-reduction philosophy.

Reagan sounds more like Kemp than Reagan on new 30-second television spots written for him by Jeff Bell, New Jersey Senate candidate in 1978 and a Kemp acolyte. But how comfortable Reagan is in this stance is doubtful. Campaigning in New Hampshire last week, he fell back on relating details of his triumphs as governor of California. In a 15-minute luncheon speech in Merrimack, he devoted 15 seconds to tax reduction.

Nor is Jerry Carmen, the rough-and-tumble Manchester Republican who runs Reagan's campaign, enamored with Kemp's economics. He had campaign staffers searching the record for anti-Bush material. They found a tiny nugget in Jules Witcover's "Marathon," a 1976 campaign book: "Everyone knowledgeable in Republican politics considered Bush incompetent to be president."

Carmen wants to brand Bush as a country-club candidate whose backers went to Ivy League colleges, worked in the CIA and joined the Trilateral Commission. Most of all, he wants identification of Bush with Richard M. Nixon. Reagan operatives have tried to keep

alive the decade-old story of Nixon "slush fund" contributions to him, but nobody except the Union-Leader pays much attention (and one Reagan insider confides: "I'm afraid Bill Loeb just lacks credibility").

But Howard Baker doesn't. The Reagan camp has nearly abandoned hope that Baker's late-blooming campaign will take away many Bush votes, but it wants him to do what Reagan won't: cut him down. Baker began last week by pointing to Bush's two statewide defeats in Texas, disagreeing with Bush over revenue sharing, suggesting Bush is overly hawkish. But criticism of "my good friend George Bush" was too steeped in senatorial circumlocution to suit Jerry Carmen.

Carmen wants more of what occurred at the end of a lackluster Baker rally in Concord. Fred S. Parker, an insurance man who runs Baker's campaign in Keene and contends that Bush is tainted with Watergate, rose with a leading question asking Baker to compare himself with Bush. Baker concluded his answer by noting his disapproval of Gerald Ford's pardon of Nixon. "I expect that George and I disagree on that," he added, pointing out that Bush was Nixon's hand-picked Republican national chairman.

Characteristically, Baker quickly retreated to a pointless anecdote about Nixon, after all, being a human being. Baker is ill-used as George Bush's destroyer. That improbable role must fall to Reagan, in the all-candidate debate Feb. 20 and the two-man confrontation Feb. 23 sought by Carmen. For Ronald Reagan at age 69, it is perhaps his hardest challenge in 14 years of elective politics.

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When Bush Gets Angry

An interview that riled the GOP candidate

A RECENT Los Angeles Times interview with George Bush has been stirring controversy in the presidential race. The following is excerpted from that interview, which was conducted by Times correspondent Robert Scheer, a former Ramparts magazine editor who ran unsuccessfully for a Senate seat in 1970 on an anti-war platform.

SCHEER: Let me switch to the CIA. You said in a speech that you participated [as CIA director] in President Ford's regulations concerning the CIA. Not all of them, as you implied, were ones which would have been restrictive on the CIA.

BUSH: The executive order I was talking about . . .

SCHEER: Some of them, for instance, increase the penalty for someone who leaks secrets or reveals information.

BUSH: We should protect sources and methods of intelligence, yes.

SCHEER: And in one example you offered, you said that the alternative plans of the Defense Department ought not to be made public. Do you feel that that regulation should have applied to the Pentagon Papers case?

BUSH: I believe that if you take an oath to protect classified information, you ought to protect it — yes. I think you've got remedies, you have ways to declassify — and I believe that you ought to not be the final arbiter yourself of what is properly classified.

SCHEER: Do you think The New York Times was correct in publishing?

BUSH: I haven't thought about it, frankly. If everything The New York Times can get its hands on — no. I think there are some constraints, some legitimacy to the concept of national security.

SCHEER: When you were heading the CIA, were you aware that the shah was in as much trouble as he turned out to be, his base of support was thin as it was?

BUSH: No.

SCHEER: Then was the CIA malfunctioning?

BUSH: It had been weakened by a lot of things, yes, and sometimes you can't accurately project or predict revolutionary change in intelligence, the CIA or any other intelligence service.

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ON PAGE 1

THE WALL STREET JOURNAL
13 February 1980

A Fresh Face

Bush Shakes Up GOP By Winning Support Throughout the Party

But His Backing Isn't Deep,
His Stands Lack Detail;
Rivals Sharpen Attacks

CIA Stint Becomes an Asset

By ALBERT R. HUNT

Staff Reporter of THE WALL STREET JOURNAL
PETERBOROUGH, N.H.—Mrs. Lorraine Prestipino, a secretary from nearby Milford, supported Ronald Reagan four years ago, but last week she sported a George Bush button as one of more than 1,000 enthusiasts at a Bush rally here.

"I still like Ronald Reagan, but I'm a little tired of him," she explains. "I like the fact George Bush is a fresh face."

Phil Dechert, a 26-year-old accountant from Hancock, cites issues in telling why he showed up to see this rising Republican: "I really like his stand on strengthening the CIA." Another Hancock resident, Peter Grant, a retired college administrator, is attracted to the pragmatism he sees in the candidate. "George Bush is a moderate," he says. "He figures out problems as they arrive rather than stick to some ideological label."

Hugh Gregg, the irrepressible Bush campaign chief in New Hampshire, says this eclectic appeal is based on people's sense of feeling good about him: "George's sincerity is 90% of it; sincerity oozes out of the guy."

Whatever the case, George Bush has dominated the early stages of the 1980 Republican presidential race. A year ago he was a bland long-shot noted chiefly for his resume: Phi Beta Kappa Yale graduate, Texas oil millionaire, a former Congressman, United Nations ambassador, chairman of the Republican National Committee, Envoy to China and director of the CIA. But with his upset victory in last month's Iowa caucuses, he now is on the cover of national magazines, accompanied by the television networks, soaping for

soaring in the polls and subject to increasing public curiosity. More and more Americans are asking: Who is George Bush?



Some answers are easy. He is a thoroughly pleasant and decent man with an enthusiastic devotion to the political process and the Republican Party. Ideologically, he is a traditional mainstream Republican: He favors restraining government growth, cutting taxes and bolstering defense spending to counter the Soviet Union.

The Bush Formula

Still, his positions are short on detail. In economics, his spending and tax priorities remain fuzzy. In foreign policy, he hasn't made it at all clear how he envisions using American military power to advance economic and political interests. And while he possesses a first-rate mind, even friends acknowledge that he isn't an especially creative thinker.

In short, George Bush—the son of a patrician Connecticut Senator—resembles a more urbane version of Gerald Ford.

That could be an attractive formula for a 1980 candidacy. "George makes people feel comfortable," says Robert Teeter, his pollster. "They like a new face but also like the experience and credentials behind him." In a clear reference to Jimmy Carter's original lack of experience as well as Ronald Reagan's unfamiliarity with Washington, the Bush campaign slogan is "A President we won't have to train."

Mr. Bush also avoids arousing philosophical and personal animosities that plague some other GOP aspirants. "George doesn't press hot buttons," says his press secretary, Peter Teeley. "Conservatives, moderates and liberals in the party all can feel comfortable with him."

Mr. Bush has exploited these assets to a point where he is rated roughly even with Ronald Reagan in the critical Feb. 20 primary here. Polls show him way ahead of all his rivals in the Massachusetts primary on March 4. And his excellent campaign organization is developing growing support elsewhere. If he wins the New England tests, he will become the front-runner for the GOP presidential nomination.

But things could go the other way. Poorer-than-expected New England showings would be a serious setback. And the Bush support is much wider than it is deep.

It is uncertain how the voters' sense of good feeling about Mr. Bush will survive harder scrutiny. He won't be getting a free ride from his opponents any longer. Ronald Reagan is charging that Mr. Bush is too liberal on issues ranging from his backing for the Equal Rights Amendment to amendments to balance the budget and to prohibit abortions.

Shocked Rivals

Sen. Howard Baker is expressing shock over Mr. Bush's comments in a recent interview that left the impression he thought a nuclear war was winnable. Rep. John Anderson complains that the Bush political "patron" was Richard Nixon. And all his rivals are delighted with the resurrection of stories about a secret White House-funneled campaign contribution to Mr. Bush's unsuccessful Texas Senate race 10 years ago.

These attacks will sharpen in coming debates among the GOP presidential rivals. "I doubt George will wear well," predicts one Republican politician.

Yet the 55-year-old native New Englander already has disproved the early notion that he was too lazy for a grueling campaign. When they were rival political party chiefs, Democrat Robert Strauss used to boast: "I've done half a day's work before he gets off the tennis court." But Mr. Bush spent over 300 days campaigning in 1979 and proved himself a tireless and zestful, if at times rambling, stump performer.

The Bush performance is more notable than the message, however. In his first Senate race, in 1964, George Bush ran as a rigid Goldwater right-winger, but ever since he has taken a moderate-conservative stance. "George is pretty conservative, but he has good social instincts," says his friend and Yale classmate Congressman Thomas Ashley, an Ohio Democrat.

Mr. Bush puts his campaign goal this way: "What I would like to project is less ideological perfection or purity and more a seasoned and reasonable approach."

And Mr. Bush becomes a national cheerleader when he starts talking of his "optimism" about the country: "I believe we can solve any problem ... if we have the will to chart a course and stay with it." Vietnam and Watergate, he declares, were "anomalies."

The other night, in Plymouth, N.H., he unleashed his back-to-basics pitch. A schoolteacher said most people vote against politicians and wondered why Mr. Bush's promised "miracles" wouldn't fade away like the campaign promises of others. "They aren't miracles ... they are fundamentals," he shot back. "I'm not so cynical I go into the polls always to vote against somebody. Come on, cheer up a little bit ... oh, come on!"

CONTINUED

He never lets voters forget his government experience, particularly with the CIA. A year ago many Bush advisers feared the intelligence job would be a political liability, but the recent focus on foreign affairs reversed that assessment.

In all his earlier incarnations, he developed a devoted following. He left the House in 1970, but 29 House members have endorsed his candidacy. Of the three outsiders who have run the CIA—James Schlesinger and Stansfield Turner are the other two—only Mr. Bush won the respect and trust of most of the intelligence professionals.

"George has a very impressive ability to enlist loyalty," notes Rep. Barber Conable, a New York Republican who served on the House Ways and Means Committee with Mr. Bush. Mr. Conable now heads the Bush campaign's policy operations.

Strong Loyalties

But loyalties to the tall, handsome and congenial Mr. Bush are based more on personal feelings than on substantive achievements. As a member of the minority in the House, he was unable to do much legislating; in the UN and China jobs, he followed instructions; his tenure as GOP party chief is remembered mainly for his unswerving loyalty to Richard Nixon during Watergate. In his one year at the CIA, 1976, he did lift the agency's morale during tough times, but he didn't leave much of an imprint on policy. (Rival presidential hopeful John Connally once told an interviewer that Mr. Bush "set on his butt in those appointed jobs." Mr. Connally is one of the very few politicians that "nice guy" George Bush detests.)

"George has the capacity to take good advice, but he isn't much of an original thinker," says a former associate. "When he's first confronted with a problem, he often reacts in a terribly naive way." Moreover, he has indicated a lack of political toughness, especially in losing his second Senate attempt to the colorless Lloyd Bentsen in 1970. "George Bush has absolutely no instinct for the jugular," notes one Bentsen adviser.

Even his good friend Barber Conable admits: "Until recently I had questions about George's attention span and seriousness of purpose." But Mr. Conable says his friend has grown enormously over the past year: "I was with him for a few days at the end of December, and he was absolutely purposeful and disciplined. His candidacy has concentrated his mind remarkably and given him a new dimension."

It also has made a cautious politician even more careful. Since his Iowa victory, he twice has rejected drafts of a major foreign-policy address and now probably won't deliver it until after the New Hampshire primary.

Distrust of U.S.S.R.

Whatever the details, the speech surely will reflect his earnest belief that the Carter foreign policy has been weak and erratic. Although he still talks about the desirability of reaching real arms-reduction agreements with the Russians, associates say his stint at the CIA was a "searing" experience, leaving him with a deep distrust of Moscow.

Nevertheless, in the foreign-policy positions Mr. Bush has taken so far, uncertainties abound. During the early days of the Iranian crisis, he called for a blockade of the Persian Gulf. But the other day he admitted, "I'm backing off that." When asked about the U.S. commitment to Pakistan—would a Soviet invasion of that country mean war?—he lamely replies, "I don't want to get bogged down answering hypothetical questions."

Mr. Bush also is uncomfortable with domestic issues, but he has taken some clear-cut stands on economic questions. He rails against "Keynesian" economists. And he espouses "supply-oriented tax cuts," including more generous depreciation benefits for business and special tax breaks for certain savings accounts. But he has little use for the so-called Laffer-curve theory supporting huge tax cuts; he was one of the few major Republicans who never embraced the Kemp-Roth proposal for deep tax cuts.

Last fall he called for a balanced budget, a \$20 billion tax cut and higher defense spending. Now he acknowledges that combination is outdated and promises to come up with new economic particulars soon—again, probably after the New Hampshire primary.

Although Mr. Bush's aides acknowledge he will have to harden his positions on domestic issues in the months ahead, they contend these issues won't give him serious political problems. "People don't really vote on issues; they vote on people," Mr. Teeter says. "They are looking for certain qualities in a presidential candidate, and they are liking what they see in George."

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TIME
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To the Manner Made

What kind of prescription is this for political success? Director of the CIA when that agency's prestige had never been lower. Ambassador to the U.N. when that body, for the first time, refused to heed U.S. pleas that Taiwan be allowed to remain a member. Chairman of the Republican National Committee when the disgraced Richard Nixon resigned the presidency. Two-time loser as a candidate for the U.S. Senate. A drab, colorless speaker and humble, almost faceless, campaigner.

Yet despite that background—and, indeed, in some measure because of it—George Herbert Walker Bush, 55, has emerged from relative obscurity to challenge Ronald Reagan, the heavy early favorite for the Republican nomination for President. Bush's astonishing start is due partly to the dramatic shifts in public mood triggered by the crises in Iran and Afghanistan. As many Americans seem eager to rally behind the President, Republicans seeking an alternative have turned more receptively toward a man with Bush's broad experience in foreign affairs, including his service as head of the U.S. Liaison Office in Peking. To have headed the CIA, championing its cause when so many critics were clobbering it, is now an unanticipated political plus. Finally, Bush, too, has changed, shedding his New England-bred modesty and campaigning with the zest of a man willing to boast of his past and proclaim his future: "I can feel it in my bones. I'm going to be President."

Bush admits his new buoyancy is partly a deliberate tactic. "I used to think I should keep quiet and others would blow my horn," he explains with a wry grin. "But they didn't. So I will." Now Bush rarely misses a chance to tick off highlights of his career. One of the war's youngest pilots, winning his Navy wings at 18. Shot down over the Pacific and four hours adrift at sea before being rescued by a submarine crew. Three air medals and the DFC. Phi Beta Kappa at Yale. Creator of an independent offshore oil drilling firm in Texas. A millionaire at 41. Twice elected to Congress from Houston. Nor does he shun name-dropping. "The last time I saw Mao," he will inject into an answer about world affairs, or "I've been to the Khyber Pass . . ."

Bush has hired a speech tutor to zip up his delivery. He conveys genuine passion as he warms to some favorite themes. "I never got caught up in the immorality of our role in Viet Nam," he declares. "We were not immoral in our purpose." His right hand chops the air. "I'm sick and tired of apologizing for the United States." Instead of fudging, he frankly admits his lack of knowledge about some questions. "I have a good intellect," he will say. "But there is a hell of a lot I don't know. And I know I don't know it. That's the difference between me and Jimmy Carter."

Bush joshes reporters about their habit of tagging him an "elitist" or a "patrician." ("Patrician," he will say. "What does that mean? I'll have to look it up.") He claims he is

wearing fewer button-down shirts just "so you fellows won't think I'm elitist." Son of Prescott Bush, a wealthy Wall Street banker and ten-year Senator from Connecticut, the candidate likes beer (Miller High-Life), country music (especially Dolly Parton and Crystal Gayle), prefers speedboating to sailing (he owns a \$15,000 50-knot ocean racer), and is a baseball nut. Yet he clings to some of his Andover prep-phrases: "Fantastic," "super," "gee whiz."

But as the public gets to know a more ebullient and informal George Bush, an old question lingers. Yes, the doubters say, he's likable, decent; a fine family man (five children and a wife of 35 years, Barbara, who campaigns effectively for him, claiming to be "just a nice 54-year-old white-haired lady"). He's all that, but is he tough enough to be President?

TIME correspondents last week quizzed many of Bush's former colleagues and found only a few who retained any reservations about either his personal strength or intellectual depth. He was respected in Congress as a man who did his homework. While conservative on economic matters, he was liberal on civil rights. One top U.N. official recalls Bush

REININGER—CONTACT

as being "a loyal, devoted man with a lot of style—an honorable straightforward sort of chap."

Clearly, the most difficult of all of Bush's posts was to be personally selected by Nixon as chairman of the Republican National Committee in 1973; he then had to preside over the party as the President slipped into the Watergate disaster. Some critics still feel that Bush defended Nixon too long. But within the party, colleagues claim Bush stoutly rejected many White House overtures to plead Nixon's

case, quite properly distanced the G.O.P. from Watergate, and skillfully walked a thin line. Recalls one Nixon aide who was untarnished by Watergate: "Bush was loyal, but he didn't say everything the White House wanted him to. He wasn't a toady. He held the party together."

The lifting of morale was Bush's greatest accomplishment in 1976 at the CIA, which had been virtually immobilized by revelations that it had tried to kill leaders abroad and snooped on U.S. citizens at home. Before skeptical congressional committees, Bush argued earnestly and successfully that the CIA needed more agents overseas and could not rely solely on satellite spying. He argued that the CIA should retain the right to conduct covert operations. Says a onetime director of the agency: "He gave a great deal of hope and revival of dignity to people who were feeling low." Bush was so admired at CIA that a score of former colleagues are now supporting his campaign. But is he tough? Insists a former director of operations at CIA: "He's tough as nails when he makes a decision. He'll stand by it, come hell or high water."

Used by Presidents Nixon and Ford as something of a short-term utility man, Bush has not really been tested in a longer job where his true leadership strengths or weaknesses might emerge. In a sense, the current campaign ordeal is that kind of test. So far, George Bush is doing fine.



Bush jogging in Iowa with Sons Marvin (left) and Neil and a newsman (far right)

George Bush: The Hot Property in Presidential Politics

Switch to CIA

Bush stayed in Peking a little more than a year, when Ford asked him to return to Washington to take over the Central Intelligence Agency. It was a controversial choice in the Senate because of Bush's past identification with partisan politics. Eventually Ford had to promise not to consider Bush as a running mate in 1976 to convince the Senate to confirm him.

There was some puzzlement over why Bush would want to take over the troubled agency. Its misdeeds and shortcomings were still tumbling into the headlines as the result of House and Senate investigations. The directorship of the CIA hardly looked like a political asset, and Bush acknowledged that he hoped to return to politics one day.

Nevertheless, he said, he regarded the work as "desperately important to the survival of this country and to the survival of freedom around the world. And second," he told the Senate Armed Services Committee, "old-fashioned as it may seem to some, it is my duty to serve my country."

Bush pledged to keep politics out of intelligence, and many praised him for succeeding. "I was very concerned about his appointment," recalled Sen. Mathias, who was a member of the Intelligence committee. "But it worked out fine." William Miller, the committee's staff director, said Bush "worked very hard, asked for help and advice and before long he had everyone's respect."

He also reassured the veteran CIA employees who were feeling distinctly unloved at the time Bush came to the agency. "Instead of coming in hostile and suspicious as [Adm. Stansfield] Turner did [after Bush], he took a look around the agency, talked to people and decided he liked it. It was terribly important to have a boss who felt like that," recalls E. Henry Knoche, who served as deputy director under Bush.

Bush built a reputation among intelligence officers as a man who could listen and change his mind. In the summer of 1976, sources say, alarms were sounded over what some considered provocative activity by the Chinese on their side of the Taiwan straits. But the State Department disputed that interpretation forcefully.

In the ensuing bureaucratic battle, which included a high-level meeting at CIA headquarters, Bush refused to be stampeded by the alarmists who turned out to be wrong. Although he was CIA director, he also gave face to some junior State Department participants whom he remembered from past diplomatic duty. He invited them into his office to see his Chinese rugs, leaving more senior advisers from other agencies wondering what was going on.

"He's not the kind of person who goes out looking for issues," added another CIA veteran who knew Bush while he was at the agency, "but he really did a tremendous job stabilizing the situation, improving morale and getting people working again."

"He's not an intellectual," this source said. "He lives day to day and he doesn't brood over anything. He doesn't agonize. But he's very competitive. He's ferocious on the tennis court. He's got to win."

Bush's decision to resign when President Carter was inaugurated troubled Knoche a bit because that carried with it a suggestion that the job had been politicized. But the deputy DCI was still impressed enough with his boss to award Bush the CIA's Intelligence Medal of Merit for his burst of activity following Carter's election.

In a single day, Bush met with President Ford alone in the Oval Office, then sat down with Vice President Rockefeller, conferred with the head of the Office of Management and Budget, about a money crunch, and then flew down to Plains, Ga., with Knoche to brief Carter and Vice President-elect Mondale for six hours on the CIA's secrets, sources and methods. On the flight back, Bush drafted a memo for Secretary of State Henry A. Kissinger, who was to see Carter the next day, and dropped it off at Kissinger's house at 1:30 a.m. Knoche, as the man in charge of the CIA's day-to-day operations, took it upon himself to give Bush his medal at the daily, top-level staff meeting in Langley a few hours later.

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PHILADELPHIA INQUIRER
23 January 1980

A change in mood

By J. F. terHorst

MANCHESTER, N.H. — The crowd suddenly fell quiet, eyes riveted on the speaker, ears straining for every word. George Bush was describing the spy business, the need to provide a president with the best foreign intelligence that American agents could provide.

"Believe me," Bush shouted, voice rising, "it's time we got off the back of the CIA. . . ."

The hall exploded with applause, sometimes accompanied by cheers and whistles. Bush has touched a sensitive nerve in the body politic, not just here in New England but equally in Iowa and the South and wherever he goes.

The audience reaction signals a surprising facet about the changed global content of the 1980 presidential campaign in the wake of Iran's seizure of American hostages and Russia's invasion of Afghanistan. The CIA is no longer a dirty name. And, for Bush, his 1976-77 stint as director of central intelligence no longer need be considered a political liability in his race for the White House.

That was not always the case. When Bush began his campaign early last year, his advisers cautioned him against making a big deal out of his CIA connection.

Given the agency's low repute with the public, the result of congressional exposures of past dirty tricks and the CIA's suspicious links with Nixon's

Watergate cover-up, that sounded like good advice.

Although Bush had been appointed to the CIA by President Ford to straighten out the agency and draft a new code of conduct to prevent future abuses, Bush was bluntly told that the public would not grasp such details. Play down the year with the CIA, Bush's managers advised. In the beginning, even his campaign literature glossed over it.

Now everything has changed, and Bush with it. The CIA has become one of his favorite stump topics. He talks enthusiastically about the need to bolster the agency's intelligence capability, about the importance of supplementing U.S. technologic means of spying through satellites and photo-reconnaissance with espionage by undercover agents and cooperative foreign sources. And Bush pleads for a return to the days when agents and sources could count on protection from public disclosure.

"If a newspaperman bared his own sources, they would dry up," Bush likes to say. "Well, the same is true in the intelligence game."

Audiences love it, and, for the most part, seem to agree, as perhaps the vote in Iowa Monday indicates. Bush cites one measurement of that — a Harris Poll showing the American public favors strengthening the CIA by a margin of 72 to 19. So now he always is introduced to audiences as "the former director of the CIA" as

well as the former ambassador to China and to the United Nations.

The international crisis clearly has boosted President Carter's stock in the opinion polls — also as indicated by the Iowa vote — primarily because the nation's patriotic instincts are rallying behind their chief. But the crisis has also helped Bush. It has awakened the nation's need for improving intelligence-gathering regarding Soviet intentions.

"How the pendulum swings," Bush mused the other day. It has indeed swung. With his CIA record having turned from a liability into an asset, Bush can now shed his cloak and come in from the cold.

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NEW YORK MAGAZINE

21 January 1980

George Bush

A Republican For All Factions

By Michael Kramer

It is late November and it is raining—pouring really—at the Lebanon, New Hampshire, airport. Two hundred people—most of them soaked to the bone—have waited patiently for hours to welcome and cheer George Bush, the man they want to be the next president of the United States.

George Bush? Yes, George Bush, the former everything (congressman, United States ambassador to the United Nations, envoy to China, head of the Republican party, director of the CIA), the almost perfect candidate: scholar, athlete, war hero, a product of the eastern establishment who fled the family millions to make his own millions in the Sun Belt, a member of the country's most exclusive clubs. Even Bush says he has "fantastic credentials."

In a political party where many find Ronald Reagan too old, John Connally too controversial, Howard Baker too bland, John Anderson too liberal, Phil Crane too conservative, and Bob Dole too acerbic, George Bush may be the one Republican for whom Republicans need make no excuse.

In recent times, the Republicans have chosen a standard-bearer whose basic appeal was to only one segment of the party. George Bush wants to be the quintessential GOP candidate, the kind the party couldn't invent, a candidate without flaws, a candidate for all factions. He has taken stock of his potential liabilities—everything from half-rimmed glasses and button-down shirts to memberships in the Trilateral Commission and the Council on Foreign Relations—and he has shed them all. Even Watergate (Bush was a staunch defender of Richard Nixon) has been mitigated by the presence of Leon Jaworski and William Saxbe as Bush supporters. (Jaworski, of course, was the Watergate special prosecutor; Saxbe the attorney general who said "Tell the White House to piss up a rope" when Nixon tried to scuttle the milk-fund prosecution of John Connally.)

The one credit Bush would never shed is his CIA connection. It is his ace in the hole.

Five years ago, even five months ago (according to Bush's own polls), the idea of the United States electing as its president a former director of Central Intelligence (a professional spook like Bush) seemed impossible, a perversion of the American way. Spies, after all, had their

places—and the White House wasn't one of them.

But, today, with Americans held hostage in Iran, the Russians occupying Afghanistan, and all the world concerned about a perception of American impotence, George Bush is one of the prime beneficiaries of the new cold war.

"I see the world as it really is," Bush tells spellbound audiences, "not as I wish it were.... For one fascinating year I had the job of preparing the national intelligence estimates for the president. I had to tell him what the Russians were up to, and believe me, from that experience, I have no illusions about Soviet intentions. The idea that the Russians are satisfied with nuclear parity is nonsense. They want nuclear superiority. They want a first-strike capability. And don't think they're above using it. You've got to be realistic about the Soviets. And you can't help but be realistic about them once you've been head of the CIA."

By all accounts, including his own, Bush was—still is—a CIA man, which is to say that he believes in the agency and its work. He came to the CIA after the Church- and Pike-committee revelations had decimated morale. It fell to Bush to promulgate the regulations prohibiting the continuation of illegal activities, a chore he apparently completed without rancor. And for the first time, Bush instituted a kind of outside audit, or check, of the CIA's work. This was the famous Team B study, which reportedly concluded that the agency was far too willing to accept at face value Russia's talk of peaceful co-existence—a conclusion which seems "right on" today. Incredibly, through all of this, Bush managed to boost morale.

"I'm going to be so much better a president for having been at the CIA," says Bush, "that you're not going to believe it. It is a tremendous asset in terms of knowledge."

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The Washington Post

Sunday, January 13, 1980

STYLE

People / Fashion F1

The Long Journey Of George Bush

Gaining Ground Inch by Grueling Inch, Proving
That the Race May Not Necessarily Be to the Swift

By Paul Hendrickson

OUT OF THE Iowa night sky they come, trim as fighters, whining like table saws, arcing down into the dreams of West Union, Iowa, pop. 2,654. Four Beech King Air turboprops roll to stop beside a blistered shed. Photographers and reporters get out; a TV executive, a guy with a wire down his shirt. And then the candidate himself, smiling, shaking hands, moving toward the lead car, looking exuberant and likable as an eagle scout.

George Bush and his suddenly swollen national campaign have hit the frozen fields of Fayette County.

Over at West Union Country Club, a couple hundred Republican voters pulled from four adjoining counties are waiting. They munch chips and dip. The West Union "Ambassadors," in red blazers and nametags, are attending to last-minute details. The weather is bad, and there is wrestling at the high school down the road, but Bush has drawn pretty well anyway. He's drawn considerably better than he might have six months ago, when he was still an asterisk in the polls, when only his wife and his mother and maybe his dog, C. Fred Chambers, would have given him more than a laughing shot at the presidency.

Washington, D.C., May 1, 1978: There were maybe 150 people in the room, knights of the keyboard mostly, with a heavy-lidded sense of *déjà vu*. "Ladies and gentlemen, I am a candidate for president of the United States," says George Bush.

Afterward, pilting out, one newsman says this to another: "So what do you think?" "I thought he showed verve."

"Yeah, his campaign might have peaked right here."

He arrives now, at the head of a mini-parade, entering through the basement, slugging off his black woolen topcoat. He jogs lightly up the back stairs, holding just below the top step. A local pol is finishing his introduction. The candidate's face is washed and smooth. His muted herringbone suit that he had made in Peking five years ago, at Hongdu tailors, is buttoned in the middle. His hair is combed flat, plastered almost, with tiny curls of it lippling back over his ears. This is his third Iowa stop since mid-afternoon. This morning he was in New Hampshire. He looks fresh as rainwater.

So listen to him now. Listen as he stands lean and clean and erect, just as he must have stood 32 years ago, when he came out of Yale, a Phi Beta Kappa and captain of the baseball team, to hunt up life's fortunes. (The momentum is there, he says. "It is rolling. I can feel it.")

The heels are clicked together, wedging outward at 45-degree angles. The pants are drawn up over his woolen socks like an earnest farmboy. The hands are pulsing over top

the microphone, grabbing familiar fistfuls of empty air and strangling them back to his chest. This is George Bush's best, most studied gesture. He has others, too—a pushing-out motion with his right hand while the body dips in tandem; a series of finger movements with his left hand that, after a while, begin to look like sign language. Actually, his New York speech coach wanted him to forget the gestures, but he overrode her. Thinks they give him passion.

"I was a precinct chairman, I was a county chairman, I was a national chairman," he says, going into one of his most familiar riffs. "I know, and have known all along inside me, that I can win this thing. The reason I will do better than any of these national polls can possibly indicate is because of my organization. I have the best organization in this campaign. I feel—I am absolutely certain of it—if I can come out of Iowa with a forward momentum, I will win this nomination and I will be the NEXT PRESIDENT OF THE UNITED STATES."

The high-timed, slightly combative, Eastern voice is already a little hoarse.

He describes why he wants to be president. This is another riff, only tonight it's tailored to the occasion. "It's a complicated darn thing. My dad, he was a great guy. He served 10 years in the Senate from Connecticut. He inculcated into his sons, just as you do, a sense of integrity, a concept of service. You know, people come up to me and they say, 'George, why do you want to be president?' But they don't say it as if they mean, 'Aren't you lucky?' They say it like 'Are you crazy?'"

The words are running together like people trying to get off a boat.

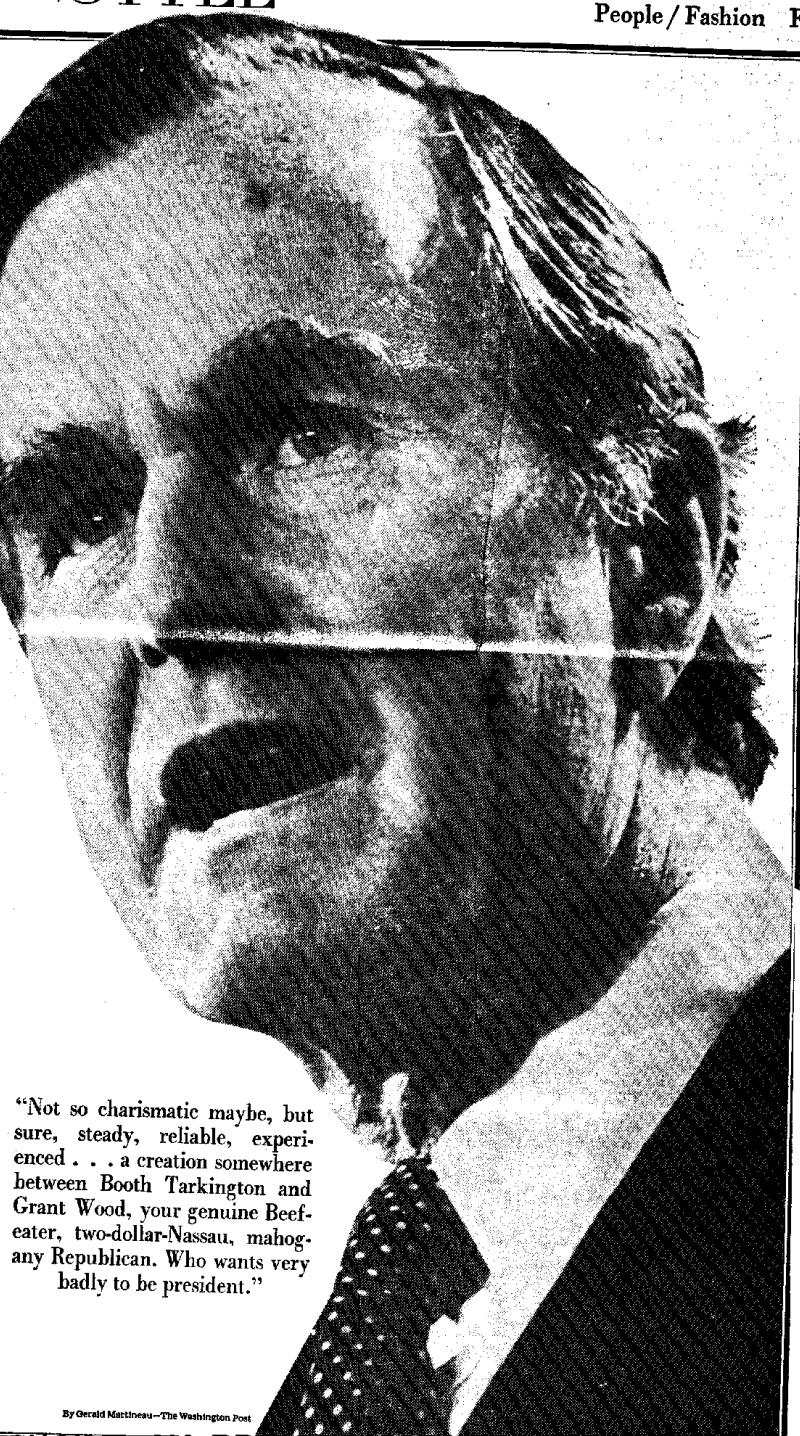
He tries to summon the Land, black out there, beyond the windows, rolling under the Iowa night: "I know about the cycle of seasons—the snow, the green, the upturned fields, your sense of family. These things will make me a better president. I just know it." It connects.

So does his impressive record of experience; he always gets it in. Two-term Texas representative, ambassador to the U.N., chairman of the Republican National Committee—"in one of the toughest moments in its history, Watergate"—head of the U.S. Mission to Peking, director of the CIA. He omits here for the Senate twice from Texas and lost. Sometimes during these litanies, his head wags in a manner faintly reminiscent of Richard Nixon, doubtless unintended.

Tonight, a little something extra: "I was shot down in the Pacific at 20. Er, not exactly the greatest criterion for being elected president, I'll admit." (Earlier, on the plane, he had said, "The trick is not to let your mouth get ahead of your a—")

He doesn't volunteer his specific positions on issues—that he is against gun control, that he is afraid to "codify" gay rights, that he is

See BUSH, F4, Col. 1



By Gerald Martineau—The Washington Post

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The Persistent Pace, Gaining Ground Inch by Grueling Inch

BUSH, From F1
 pro-ERA and anti-abortion, even though he won't support legislation opposing abortion. Talking specifics can get you into trouble. He'll meet these things if they come up. Some of them do, and when he says he is against gun control, a British newsmen from the back of the room cries, "For shame." For now, George Bush is content to dazzle them with platitudes.

It adds up to a credible, somewhat rousing performance. George Bush on the stump is no Er Driskin. He's not even a Pat Paulsen. What he is is the good soldier, gaining ground inch by inch, proving to the disbelieving but no longer mocking world out there that the race may not necessarily be to the swift . . .

A parable: The Hare was once boasting of his speed before the other animals. "I have never yet been beaten," said he, "when I put forth my full speed. I challenge anyone here to race with me."

The Tortoise said quietly: "I accept your challenge."

So a course was fixed and a start was made. The Hare darted almost out of sight at once, but soon stopped and, without his consciousness, lay down to have a nap. The Tortoise plodded on and plodded on, and when the Hare awoke from his nap, he saw the Tortoise just near the winning post and could not run up in time. Then said the Tortoise:

"Plodding wins the race."

—The Washington Post

Since Jimmy Carter, of course, the role of the turtle in the great soap-box derby of presidential politics is not so inglorious. There is no hard promise yet, only hints, that this year's turtle may indeed turn out to be 35-year-old George Herbert Walker Bush.

But the 2 percent jokes are over now. In the latest Gallup poll, Bush has moved up to 7. George Bush, candidate for the Republican presidential nomination, has ended up as far surpassing everybody but himself. Eight and a half months after his formal announcement at the National Press Club, he is not only still on the course, you can see him coming around the last turn. Here he comes now: Plop-Plop-Plop. The pace isn't exactly Indianapolis; the burning rubber you smell isn't from his tires. But there he is, to the crow-eating disbelief of several syndicated pundits.

This is a story of the man who wants to be the turtle at mid-plot.

Even before his formal announcement in Washington on May 1, Bush had already been in 42 states since September, coming on talk shows between the ads for onion dip and white-walls, selling his likable self and his record of experience to the electorate.

—The Washington Post, May 24, 1978

"Yeah, the turtle's kind of an ugly reptile," says George Bush, grinning, the fist lightly pounding a palm. "But he's got persistence. Not too charismatic, but persistent. Determined. Successful."

Then he says, "I'm less dull than you think I am. I've got more charisma than some of these 'objective' reporters have written. People I've led in business and people I was in college with know that. They think I'm a charismatic so-and-so."

Somehow, George Bush seems to have an uncanny ability to resist recognition. You keep forgetting what he looks like, even if you've just seen him on the tube with a lineup of other candidates. He is the man of 10,000 Republican faces, all of them belonging to either the board chairman of Amalgamated Technologies or the senior partner of Clagett, Clagett, Clagett and Brown. Everything, the suite the muted ties—is safe. Studying him is a little like studying nuns and babies. They all seem identical. Somehow, he looks an odd admixture of Sargent Shriver, Thomas Eagleton and Jimmy Stewart. Maybe the problem is there's no identifiable gimmick. He is going for him neither peanuts nor Camelot. John Connally has the Texas ghost of LBJ and a flowing mane. Howard Baker has his accent and folksiness. George is just plain George, out of Phillips Academy. He is the Connecticut Yankee from Houston. The Texan without a Stephen.

None of which should disqualify him for the presidency. Yet showbiz counts. Ask him, he feels he isn't more known, considering all his jobs, and he answers briefly: "Because I didn't play it for the gallery or the press. Do you know I had one of the most respected journalists in the country tell me while I was at CIA that the way to really get exposure was to dribble out a little sensational information?" Well, I refused, to do that. If I had, would I have had the same credibility among my peers? Would I have had my own self-respect?"

He stops chewing his lip. "And even if I had played some of it to the grandstand, I'm not sure I would have been a combination of—who shall we say?—Andy Young and Pat Moynihan? Who else can we throw in there?"

 Three glimmers: George Bush pronounced "rather" as "rathair." He is almost unfailingly embarrassed by applause. (He begins talking before it starts, trying to catch it down.) He has little inclination for introspection. "What is the most frustrating thing about your campaign these days?" a reporter idly wonders. "I can't think of anything frustrating. Sorry, can't help you there."

Three voices:
 Pete Teeley, George Bush's communications head: "It's one thing to say, 'Have you heard of George Bush?' Well, we've licked that one. But it's another to say, 'Who is he and what did he do? That's where we are now.'"
 Jim Baker, campaign director, Houston neighbor, fierce tennis opponent: "The truth of the matter is we haven't changed our strategy one whit. It was never an original strategy. It's what you read in 'Marathon' about Jimmy

Carter. We read that book. Damn carefully." Baker, last time out, ran Jerry Ford's campaign.)

Barbara Bush, 54, wife of the candidate: "It's done exactly what George told me it would: gradually grow. I believed him in everything else he's ever done, so I decided to believe him in this one, too."

There are any number of indices to the growth of George Bush's campaign. A recent Gallup poll has him at 7 percent, up from 2. George Bush can't go into New Hampshire anymore without a dozen reporters lapping in his wake; as recently as early fall he could go across the state like a pots-and-pans drummer.

In Iowa, where bellwether precinct caucuses are scheduled for Jan. 21, the latest poll has him at 14 percent, up from 1 percent in August; the others are clogged in a pack. Bush is second in Iowa now only to Ronald Reagan, who holds at 50 percent. The Iowa caucuses are the ones four years ago that cannon-fired a one-term Georgia governor into the national glare. There have been a half-dozen straw votes in Iowa so far—and Bush has won them all.

But such are the precarious fortunes of a man running for president—even a turtle that now George Bush has to worry about being a victim of sudden hype in Iowa: the great expectations syndrome. It is unlikely he will win in Iowa, though that is his impossible dream. Says Jim Baker: "I buy second place at a wh. If we get within 35 points of Reagan, we've won."

Politicians have a strange way of computing numbers.

The crowds are bigger these days. So is the money: December's fundraising budget was slated for \$165,000; \$350,000 came in, fattest month to date. There are TV cameras waiting at airports now. There is, overall, a sense of rolling, swelling entourage, at least in key primary states. As of last week, the candidate had his own specially outfitted plane. He will have it at least through New Hampshire.

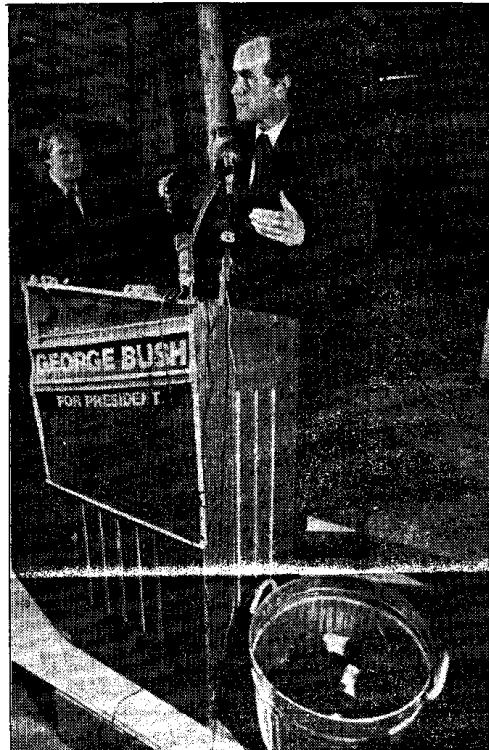
It's all a far cry from last summer, or even two months ago, when George Bush and his side-bag man, David Bates, could be found riding in the back of 727s. David Bates, 28, a lawyer of affluent Houstonians, is to George Bush what Greg Schneiders was to Jimmy Carter in his first, loneliest days. David Bates looks cloned from George Bush.

"I can still wend my way through airport lobbies without getting harassed," Bush says, self-mocking. Over Christmas, the candidate flew to Hawaii. He went through four time zones and stayed a little over 24 hours. How was it? "Oh, there was a knot of enthusiasm for me."

"Hey, George," says Pete Teeley. "I saw a 'Bush for President' bumper sticker in the Virgin Islands."

"They got any delegates down there?"

There are a lot of theories as to why George Bush's campaign has caught



George Bush campaigning in Iowa; UPI photo

fire. So Iowa straw votes certainly helped. So did a vote two months ago in Maine. Howard Baker had just announced: he was expected to take the Maine poll in a walk. In fact, he took a plane load of reporters up to Maine to help him drink in the victory. George Bush won. Not long after came a vote in Florida. John Connally had reportedly spent \$300,000; Bush spent \$40,000. He finished third, only 74 votes behind his fellow Texan. That may have been the psychological turning-point. The press stopped laughing.

On her way out, Mrs. Prescott Bush, the candidate's mother, stops to talk. She lives in Greenwich, Conn. "I was apprehensive at first because George can get tired. Actually, I think he'll win the whole thing."

Back on the bus, a reporter who has

overheard this, says: "I think he ate the whole thing."

—The Washington Post, May 24, 1978

Ask Bush if he senses with his own internal barometer that the pressure is rising, and Bush will raise his voice and his hand, shimmy the latter, and say: "Little bit." Just the other day, he says, he was coming in from Boston and four people on the plane recognized him. "Two of them were from Maine, a third was a prof from Harvard who reminded me we'd met in China, and some other guy."

He counts them like rubies.

"I figure I've gotten the amount of attention I deserved, which was nil at the beginning. I've got to go a step at a time—like a hurdler. And, yes, I know I eventually have to have broad

recognition . . . because I have infinite recognition now."

Muscatine, Iowa. "Sounds like a cheap wine," says one of the press boys. The candidate is facing a rally at the local Holiday Inn. At the end of his speech, a weathered man in a new suit raises his hand and says: "I want to tell you this. Federal Aid is just like going around South America to get to California. And don't you forget it." The old man says this and shuffles off. "Uh, that's a pretty good point there," Bush says to his aides even though this wasn't the point he had been making.

Clinton, Iowa, astride the Mississippi, the Shot Tower Inn. Five hundred people have crammed into what is essentially a pizzeria. The candidate from Texas via Milton, Mass., takes out his glasses prefatory to reading some figures. Only thing: He can't find the paper the figures are written on. He rummages in his pockets. "Oh, damn, I forgot them again," he says with a helpless grin. He goes right on. Six months ago, that might have discombobulated him.

George Bush has new glasses these days. His wife got him to throw away his half-frame: Too professional. The watchband, though, is still preppy-perfect: red-white-and-blue nylon. New Haven and Cambridge are full of wrists like that. And names like this: "Poppy." Poppy is George Bush's nickname. Everybody in the family calls him that. His mother gave it to him as a toddler, after his grandfather.

"Well, I try awfully hard, I really do, but it's hard not to call him that," sighs Barbara Bush, a warm, handsome woman who may be George Bush's secret weapon.

He is talking about the time he had bleeding ulcer. His wife got him to the air between Chicago and Davenport, snug in his chartered 8-seater King Air. In a half hour, he will touch down in Davenport, his first Iowa stop today, where Jim Leach, the district's representative, will endorse him in a corncrib.

Though he is relaxed, confident, gregarious this morning, the guard is still up. There is a wall. Which isn't busted by the button he suddenly brings forth. The button says CIA—"Certainly I'm Available." "Some smart ass," he says. "See what I have to put up with? A friend of mine is trying to buy them all up."

The ulcers: "I passed out colder than a wedge at the Savoy Hotel in London. Naked, lying there on the floor of my room, trying to reach these buzzers. I think there was one for the valet, one for the bar. Finally I limped downstairs to a doctor who said, 'Must be a touch of the flu, old boy.' Said to take some ginger ale and not eat anything. Which is just the opposite, I think, of what I should have done."

"When I got back to Houston, I went to see a specialist. The ulcers had already started to heal over. He told me,

"Listen, don't worry about that thigs."

See BUSH, F5, Col. 1

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ON PAGE A-1

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5 JANUARY 1980

Talking Politics: George Bush

Q. As a candidate, what do you see as your greatest weakness? And what are you doing to overcome it?

A. Well, I think the major weakness is not being known nationally. I think that is the only major political weakness, because as I get known, I feel comfortable with the ability to handle

the different questions that come up. I feel that I can excite people and get them interested in my candidacy; I'm convinced that the whole campaign has a certain forward motion and some of that extends from me getting known. So, I see no major political problem except this question of national name identification which I've always felt would take care of itself.

Q. How do you solve it?

A. By — well it's already started. And it started, some felt, late. I remember sitting there with a political observer saying, "How are you going to break out of the pack?" — this was the pros sitting in there, pollsters and others — "You've got to break out of the pack." And he went through the question, is there some issue for me to jump out front on an issue, or make some controversial statement on an issue.

I rejected that, because I haven't felt there was such an issue — for one thing. I've been rather consistent in what I've been discussing on the issues but — for example, about the intelligence question which some of our people didn't like, but this idea being strengthen intelligence, now it looks like the pendulum has swung on that issue. It's 72-19 in the Harris polls — people saying they want a stronger intelligence. But that's not an issue to ride into the White House on.

So my view has been, you know, stress the credentials, tie it into philosophy on the main questions facing the country, and work hard, in a political sense.



The Candidates
On the Issues
Second of an occasional series.

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AUGUST 1976

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George Bush
Banquet Speaker

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IT IS A PLEASURE for me to be here with you tonight. I want to talk with you about the Central Intelligence Agency and the intelligence community and to share with you my perceptions and some of my experiences since I became Director of Central Intelligence.

I must confess that when I was off in China, the whole intelligence community and the welter of charges and allegations about it seemed very remote and unreal to me. Many of you have heard and read so much conflicting information about intelligence that you must wonder just what it all means.

Let me say first that I have learned that the intelligence community is one of the biggest assets we have in defending America's security. The community itself is diverse, and its range of talents and capabilities is absolutely unique.

Many of you think of intelligence and perhaps think only of the CIA and James Bond spy adventures. Well, that is a tiny part of our business. Most of the Agency's work is the far less exciting but equally important task of gathering information, sifting facts and attempting to develop an accurate picture of events and trends abroad.

Others of you may think of intelligence only in connection with the excesses of the past. Indeed, there were some mistakes and some bad judgments, but there were also a lot of charges made that weren't true. The mistakes were rooted out and stopped by the intelligence community itself well before they were publicly revealed. And I can assure you that we are taking every possible precaution to ensure that such abuses never occur again.

I said that the intelligence community is truly a national asset. Let me give you an example of one of its activities that may be of particular interest to this group: technical intelligence collection.

The main mission of foreign intelligence is to produce quality intelligence for the use of our policy-makers so that they can determine policies with the best possible information and judgment we can give them. (I should add we are not in the policy business.) Obviously, producing quality intelligence depends upon collecting quality intelligence to support and feed the analytical process.

Over the past 10 to 15 years, the collection of this kind of information has been transformed. Human sources—spies, if you will—remain important and in many cases essential, but they are increasingly hard to come by. We had to find new ways to collect information to meet the needs of our increasingly technical problems.

In response to these needs, an activity known as technical collection has evolved. This has perhaps had

Banquet Address

STATINTL

by The Honorable George Bush
Director, Central Intelligence Agency

its greatest impact on our ability to solve key military intelligence problems such as determining the characteristics and deployment of weapon systems—systems that are themselves based on advancing and sophisticated technology.

A most dramatic example of a system to emerge from harnessing technology to the ends of intelligence collection was the U-2 program. In the mid- and late '50s, the U-2 was a unique aircraft in terms of its performance, the camera systems it carried and the superb information it collected.

For many reasons, the U-2 is no longer a useful intelligence collector. But as the U-2 began to lose its effectiveness, other systems came along to fill the gap.

The new systems have dramatically expanded the capabilities and applications of technical intelligence collection. Today, technical intelligence collection systems represent a large portion of the total national intelligence resources.

Another part of this national asset is its wealth of highly educated and gifted analysts. Collecting quality information is not the end of the intelligence process. There is a great difference between information and intelligence.

If I may, I would like to cite an example that many of you in this room understand all too well: Pearl Harbor. In the days before the Second World War, the United States had what could be called departmental intelligence. In other words, each department and agency had bits and pieces of information that they carefully controlled. In today's terminology, no one was "getting it together."



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"I believe that one of my principal tasks as Director of Central Intelligence is to restore the faith of the American people in their intelligence service. This we can do by operating fully within the guidelines established. We must not and will not operate in a foreign country."



All of the information that might have led an analyst to conclude that the Japanese intended to attack Pearl Harbor was available in Washington. But it was not in one place for an analyst to study. It was scattered all over town; therefore, it was useless. That was information—not intelligence. Today, as DCI, I have the responsibility for getting it all together. It's working.

Intelligence is the result of patient, painstaking work by analysts throughout the intelligence community. Let me give you a statistic that I think amply demonstrates the kind of training and background our professional employees have: between 1971 and 1975, 50 per cent of entering CIA professionals had bachelor's degrees, 34 per cent held master's, and almost 10 per cent had Ph.D.'s.

These gifted professionals have achieved success after success:

- American intelligence spotted the Soviet nuclear missiles being delivered to Cuba in 1962 and supported the President as he worked through 13 nightmarish days to force their removal;
- American intelligence gave seven years' warning of the development of the Moscow anti-ballistic missile system;
- American intelligence pinpointed eight new Soviet intercontinental ballistic missiles and evaluated the development of each for three or more years before it became operational;
- Two major new Soviet submarine programs were anticipated well before the first boats slid down the ways;
- American intelligence has created a collection and analytical capability sufficient to reduce the need for on-site verification for some kinds of strategic

concluded with the USSR. The ABM treaty and the interim agreement on offensive weapons of 1972 would have been impossible without these "national technical means of verification" and the relevant analytical capability.

I am proud of this record and the people that compiled it—and you should be, too.

The dedication of the people in the CIA and in the intelligence community as a whole is remarkable. As you probably also know, some individuals both here and abroad have recklessly published the names of hundreds of people whom they claim are CIA employees. Despite the threats, the hazards and the dangers, not one Agency employee has asked to be sent home. That is the kind of dedication I am talking about.

Let me conclude by giving you a brief look at where the intelligence community now stands.

Eighteen months of investigations into intelligence, by both the executive branch and the Congress, have come to an end. The President has issued an executive order clearly setting forth guidelines specifying what American intelligence can and cannot do. We are following those guidelines to the letter.

The Congress has established a new Oversight Committee in the Senate. Senator Inouye is chairman and Senator Baker is vice-chairman. We intend to cooperate fully with that committee and the other congressional committees that have been designated to oversee the intelligence community. In turn, I have urged each committee to safeguard the secret information that we present to them.

I believe that one of my principal tasks as Director of Central Intelligence is to restore the faith of the American people in their intelligence service. This we can do by operating fully within the guidelines established. We must not and will not violate the laws of this country.

But we cannot run an intelligence service in a glass bowl. I am charged under the law with protecting our sources and methods of intelligence. I will honor that charge. I am sick and tired of leaks from whatever source, and I will do my level best to guard against them.

We must not hide behind a cloak of secrecy. I am taking steps to end the overclassification that has plagued the Intelligence Community. I want the American people to know that when we say something is secret, it really is a secret worthy of protection.

America's intelligence is good. We are working hard to make it even better, and your support is important to us.

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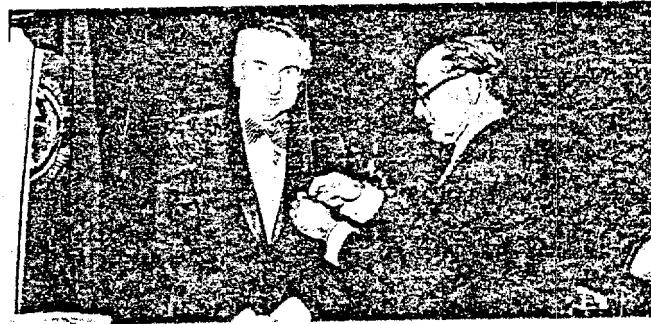
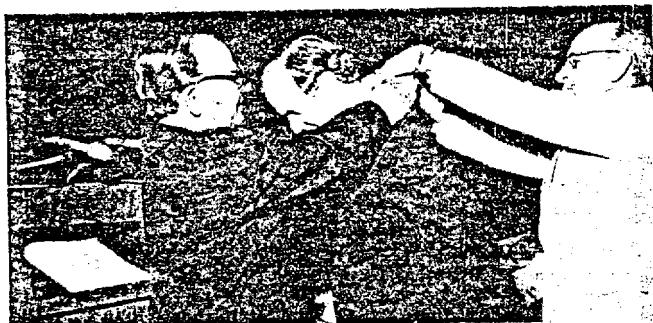
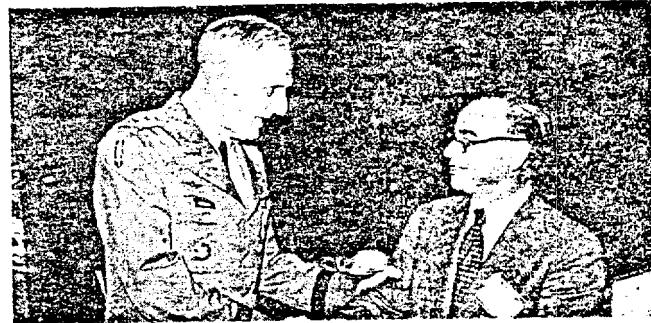
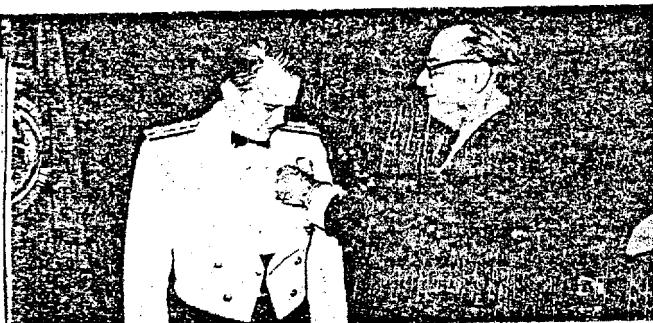
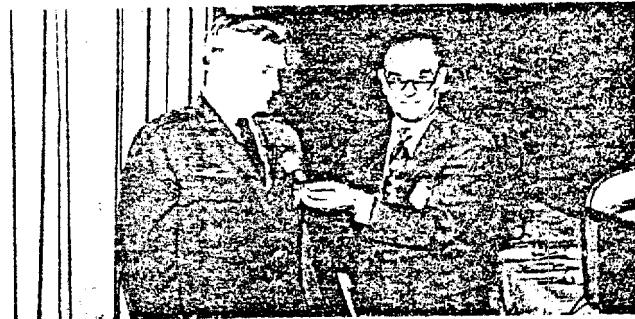
"But we cannot run an intelligence service in a glass bowl. I am charged under the law with protecting our sources and methods of intelligence. I will honor that charge. I am sick and tired of leaks from whatever source, and I will do my level best to guard against them."





The AFCEA Gold Medal was presented in recognition of services performed beyond that which is expected and in appreciation of outstanding leadership and dedication to AFCEA in positions of great responsibility. This award was made at the Keynote Luncheon to (above) Lt. General Lee M. Paschall, USAF, Director, Defense Communications Agency; and (above right) Maj. General Robert E. Sadler, USAF, Deputy Director for Operations (C-E), Joint Chiefs of Staff. The award was presented at the Annual Banquet to (below) Vice Admiral Jon L. Boyes, USN, Director, Command & Control & Communications Programs, Office of the Chief of Naval Operations. This award was presented at the Industrial Luncheon (below, right) to Maj. General Thomas M. Rienzi, USA, Director, Telecommunications and Command and Control, Department of the Army, Deputy Chief of Staff for Plans and Operations.

Awards



The AFCEA Distinguished Service Gold Medal was presented at the Annual Banquet to George Bush, Director, Central Intelligence Agency, in recognition of his outstanding service to our nation in a variety of positions of great responsibility and importance.



The Oak Leaf Cluster to the AFCEA Commendation Gold Medal Award was presented at the Industrial Luncheon to Edward Zillian of Western Electric Company in recognition of services performed in an outstanding manner and in recognition of his leadership and dedication to AFCEA.

The AFCEA Oak Leaf Cluster Gold Medal in recognition of services performed beyond that which is expected and in appreciation of outstanding leadership and dedication to AFCEA in positions of great responsibility was presented at the Annual Banquet to Dr. Joseph A. Boyd, President of Harris Corporation.



The AFCEA Meritorious Service Award was presented to Robert R. Horner, Jr., Assistant Vice President, Government Communications, C&P Telephone Companies at the Industrial Luncheon in recognition of outstanding leadership in a position of great responsibility in Association Affairs.